John A. Dickerson, Edgerton.
Frank M. LeCount, Hartford.
Adolph R. Mill, Kaukauna.
Conrad Baetz, Two Rivers.
Clyde C. Harris, Waupun.

REJECTION

Executive nomination rejected by the Senate May 26 (legislative day of May 3), 1928

POSTMASTER

WISCONSIN

Robert L. Raymond, Campbellsport.

HOUSE OF REPRESENTATIVES

SATURDAY, *May 26, 1928*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of the Most High, come with us that we may not forget Thee and the lessons of life. Through them all run Thy plan and purpose which Thou hast ordained. We suffer that we may achieve, we fail that we may strive, we weep that we may know the joy of laughter, and we doubt that we may think. We thank Thee for every sentiment and for every agency that work for the unity of our fellow citizens; we praise Thee for every discovery in the realms of human endeavor that blesses and uplifts the races of men. Holy Spirit, crowd out of our beings all prejudice and evil desire, that we may hasten the day when all men shall be brothers. Let the skies of the world be cleared and all ominous clouds rifted, and let the altars of the Prince of Peace be compassed by the peoples of the earth. This day may we make gains in wisdom, in knowledge, in forbearance, and self-control. At its close may we rest calmly in the secret of Thy presence. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 4963. An act for the relief of the Randolph-Macon Academy, Front Royal, Va.;

H. R. 10714. An act for the relief of T. Abraham Hetrick;

H. R. 12110. An act to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended;

H. R. 13446. An act to amend the national defense act;

H. J. Res. 268. Joint resolution requesting the President to negotiate with the nations with which there is no such agreement treaties for the protection of American citizens of foreign birth or parentage from liability to military service in such nations; and

H. J. Res. 318. Joint resolution amending the joint resolution entitled "Joint resolution directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants, and for other purposes," approved June 5, 1924 (43 Stat. 461), as amended by the joint resolution approved March 3, 1927 (44 Stat. 1405).

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House of Representatives was requested, bills of the House of the following titles:

H. R. 10487. An act to amend the World War adjusted compensation act, as amended; and

H. R. 12352. An act to require certain contracts entered into by the Secretary of War, or by officers authorized by him to make them, to be in writing, and for other purposes.

The message further announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House was requested:

S. 4466. An act to authorize the Secretary of War to grant to the New York Central Railroad Co., its successors or assigns, a perpetual easement extending across Constitution Island on the West Point Military Reservation, N. Y., for railroad purposes; and

S. Con. Res. 15. Concurrent resolution authorizing expenditures in connection with the consideration of the purchase by the Government of the rights to the use of the Harriman Geographic Code System.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13873) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1928, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1928, and June 30, 1929, and for other purposes."

EDMUND F. HUBBARD

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the present consideration of H. R. 14057, for the relief of Edmund F. Hubbard.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of House bill 14057. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Edmund F. Hubbard, late captain of Infantry of the Regular Army of the United States, before a retiring board for the purpose of a hearing of his case and conducting such physical examinations as to the said board may seem proper and to inquire into and determine all the facts touching on the nature of his disabilities and to find and report the disabilities which in its judgment has produced his incapacity and whether his disabilites are an incident of service; that upon the findings of such a board the President is further authorized, in his discretion, either to confirm the order by which the said Edmund F. Hubbard was discharged or, in his discretion, to nominate and appoint, by and with the advice and consent of the Senate, the said Edmund F. Hubbard a captain of Infantry and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for the officers of the Regular Army: *Provided*, That the said Edmund F. Hubbard shall not be entitled to any back pay or allowances by the passage of this act.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BANK PROTECTION AND CONTROL OF FLOODS ON THE MISSOURI RIVER

Mr. HOWARD of Nebraska. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 80, authorizing an appropriation for bank protection for the control of floods and the prevention of erosion on the Missouri River at or near the town of Niobrara, in the State of Nebraska.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of Senate Joint Resolution 80, which the Clerk will report.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think we ought to have an explanation of what this is.

Mr. HOWARD of Nebraska. I will be glad to make an explanation. The situation is just this, Mr. Speaker: The Missouri River, at and near Niobrara, has destroyed several thousand acres of wonderful corn land and has destroyed already a part of the incorporated city of Niobrara, and the whole of it is endangered. The resolution passed the Senate unanimously upon the showing of the instant emergency connected therewith, and if it were not a vast emergency I should not, in the closing hours, ask the consent of the Speaker to move for its immediate consideration.

Mr. SNELL. How much does the bill authorize, and what is it proposed to do?

Mr. HOWARD of Nebraska. The resolution authorizes the appropriation of $250,000, one-third of which is to be paid by the people benefited.

Mr. SNELL. Has it been considered by any committee of the House?

Mr. HOWARD of Nebraska. It has not. I did not have time to get it before the committee, but I have talked with a great many members of the committee, and not one has lodged a protest against the resolution.

Mr. SNELL. Are there not many cases along the banks of the Missouri River where there has been erosion and the banks worn away?

Mr. HOWARD of Nebraska. I do not know of any place along the river where a whole city or village is endangered as in this case. I understand the surveys have already been made and that the Government is ready to go to work immediately.

Mr. SNELL. Is not this rather unusual?

Mr. HOWARD of Nebraska. It is unusual; and I will say frankly that I would not under any circumstances present it to the House under a unanimous-consent request save only for the instant and vital emergency which exists.

Mr. SNELL. When did this happen? Has not this been going on for some time?

Mr. HOWARD of Nebrsaka. Yes; it has.

Mr. SNELL. Then it is not an immediate emergency. Why was it not presented to the committee?

Mr. HOWARD of Nebraska. The reason it was not presented to our committee is the fact that it passed the Senate only Wednesday night, although it has been pending for some time.

Mr. SNELL. This is a very unusual procedure, and I wish the gentleman would withdraw his request for a little while so that we may look into the matter.

Mr. HOWARD of Nebraska. I will be glad to do that, but I am quite satisfied that any gentleman who will hear the story of the emergency at Niobrara will agree with me that the legislation ought to be quickly enacted; but at the request of the gentleman from New York I withdraw my request for the present.

DEATH OF HON. CHARLES G. WASHBURN

Mr. LUCE. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. LUCE. Mr. Speaker, it is with sincere sorrow, springing from the severance of long friendship, that I inform the House of the death yesterday of the Hon. Charles G. Washburn, of Worcester, Mass. Mr. Washburn served in this body through a part of the Fifty-ninth Congress and then in the Sixtieth and in the Sixty-first Congresses. He had been conspicuous in the service of his fellow citizens in our legislature and later was an influential member of a constitutional convention. He possessed one of the finest intellects that ever came under my observation. In the noblest sense of the word he was a gentleman—dignified, courteous, considerate, kindly, gracious. He had been a classmate of Theodore Roosevelt, and he was intimate with Mr. Roosevelt throughout Mr. Roosevelt's life.

Fittingly, the stroke which deprived him of consciousness came while he was attending a gathering concerned with the affairs of the Episcopal Church, to which he had given much of his strength and attention. For church and state he labored assiduously. In his death the Commonwealth of Massachusetts loses one of her best citizens and the Nation one who had been a wise counsellor.

HISTORICAL MUSEUM AT FORT DEFIANCE, OHIO

Mr. LUCE. Mr. Speaker, I call up the conference report on the joint resolution (S. J. Res. 82) providing for the erection of a public historical museum on the site of Fort Defiance, Defiance, Ohio.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 82) entitled "Joint resolution providing for the erection of a public historical museum on the site of Fort Defiance, Defiance, Ohio," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 4.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with amendment as follows: Page 2, line 2, strike out the words "and the proper official of the county of Defiance, Ohio," so that the amendment will read "in selecting."

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to same with amendment as follows: Page 2, line 11, strike out the words "and the county of Defiance, Ohio, the sum of $25,000," so that the amendment will read "the sum of $50,000."

And the House agree to the same.

ROBERT LUCE,
JOHN C. ALLEN,
F. M. DAVENPORT,
RALPH GILBERT,
Managers on the part of the House.

SIMEON D. FESS,
R. B. HOWELL,
KENNETH MCKELLAR,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 82), submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The only change made in the resolution, as agreed on by the conference committee, is to omit therefrom all reference to the county of Defiance, Ohio. The resolution now provides for appropriation of $50,000 by the State of Ohio and $25,000 by the United States, making the total amount $75,000 instead of $100,000 as originally provided.

ROBERT LUCE,
JOHN C. ALLEN,
FREDERICK M. DAVENPORT,
RALPH GILBERT,
Managers on the part of the House.

The conference report was agreed to.

APPOINTMENT OF MIDSHIPMEN BY THE VICE PRESIDENT

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2802) to provide for the appointment of midshipmen at large by the Vice President of the United States.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of the bill which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That hereafter there shall be allowed at the United States Naval Academy, in addition to those allowed by existing law, midshipmen appointed at large by the Vice President of the United States, equivalent in number to those allowed for each United States Senator.

Mr. BRITTEN. Mr. Speaker, this bill merely authorizes the Vice President to appoint to the Naval Academy an equal number of boys as are now allowed to each Senator. It has been unanimously reported by the House committee and is on the calendar.

Mr. McCLINTIC. Reserving the right to object, Mr. Speaker, I would like to ask my colleague a question. Does this bill increase the number of midshipmen that are to be sent to the Naval Academy?

Mr. BRITTEN. Only to the extent of the four that will be authorized for the Vice President, he being an elective officer.

Mr. McCLINTIC. In other words, this only increases the number four?

Mr. BRITTEN. That is all.

Mr. GARNER of Texas. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman the object of this legislation, placing these appointments in the hands of the Vice President instead of adding them to the number appointed by the President. Is it for the purpose of making the office of Vice President more attractive:

Mr. BRITTEN. No; the office of Vice President being an elective one, he has never had the privilege before of making appointments to the Naval Academy.

Mr. GARNER of Texas. That does not answer the question. The Presidency of the United States is also an elective office. I am trying to ascertain whether this is for the purpose of making the office of Vice President more attractive.

Mr. BRITTEN. If there is anything that will make it more attractive, the House certainly ought to assist.

Mr. GARNER of Texas. Well, that may be so.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ELECTION OF PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES, ETC.

Mr. BEERS. Mr. Speaker, I present a privileged resolution from the Committee on Printing.

The Clerk read as follows:

House Resolution 225

Resolved, That the proceedings and debate in the House of Representatives on the joint resolution (S. J. Res. 47) proposing certain amendments to the Constitution to change the dates of the terms of the President and Vice President of the United States, and Senators and Representatives of the National Congress, be printed, as may be directed by the Joint Committee on Printing, as a House document, and that 1,000 additional copies be printed for the House document room and 4,500 copies for the use of the House of Representatives.

The resolution was agreed to.

INCOME TAX IN GREAT BRITAIN

Mr. BEERS. Mr. Speaker, I present another resolution from the Committee on Printing.

The Clerk read as follows:

House Resolution 195

Resolved, That the manuscript entitled "Income Tax in Great Britain, Including a Description of Certain Other Inland Revenue Taxes," prepared for the Joint Committee on Internal Revenue Taxation by Andre Bernard, of the legislative reference service of the Library of Congress, be printed as a House document.

Mr. GARNER of Texas. Mr. Speaker, what is the matter with the joint committee which is authorized to have printing done? I do not see any reason why the gentleman should come in here with such a resolution when the joint committee itself determines what it wants to print and has the power of having it printed. I can not see the reason for this resolution. It is propaganda that is being put forth by the Treasury and I do not believe it ought to be permitted.

Mr. SNELL. This is a privileged report.

Mr. GARNER of Texas. If it is a privileged report, of course, I can not help myself, but I want to enter my protest now against adopting this privileged report which purports to give information and to authorize printing which the joint committee has power to do now.

Mr. HAWLEY. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. HAWLEY. The joint committee will have copies of this printed for its own use, but the purpose of printing it as a House document is to afford the House of Representatives and the Senate, as well as the officials of the Government, this information which is not available in any other form.

Mr. GARNER of Texas. Has the joint committee taken any action toward asking for this to be printed as a House document?

Mr. HAWLEY. Not formally.

Mr. GARNER of Texas. We had up the question of printing and discussed it at length.

Mr. BEERS. That is what this resolution asks for.

Mr. GARNER of Texas. Yes; this resolution asks for it, but I am talking about the joint committee.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

HEARINGS OF THE COMMITTEE ON EDUCATION

Mr. BEERS. Mr. Speaker, I present another privileged resolution (H. Con. Res. 40).

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Education of the House of Representatives be, and is hereby, empowered to have printed 10,000 copies of the hearings held before the committee during the current session, on the bill (H. R. 7) to create a department of education, of which 1,000 copies shall be for the use of the Senate and 9,000 copies for the use of the House to be equally allotted to the Members through the folding room.

With the following committee amendments:

Page 1, line 5, after the word "printed," insert the words "with illustrations"; page 1, line 8, strike out "1,000 copies shall be for the use of the Senate and 9,000 copies for the use of the House, to be equally allotted to the Members through the folding room" and insert in lieu thereof the following: "the Public Printer shall deliver 1,000 copies to the folding room of the Senate and 9,000 to the folding room of the House of Representatives for equal apportionment to the Members of each House, respectively."

Mr. SNELL. Will the gentleman yield for a question? What is the need of this?

Mr. BEERS. I will ask the gentleman from New York to answer that.

Mr. REED of New York. There are 10,000 libraries in the United States, and the libraries want this. They have asked for them through the Members of the House. To make this perfectly clear, before the resolution came up, in order to aid the committee which passed on the resolution, the Joint Committee on Printing, I wrote to each Member of the House and asked him how many demands he had on his desk at the present time—not how many he expected to have—and we are only asking for the number which the Members now want to fill the demands they have on their desks.

Mr. SNELL. Is this to increase the propaganda for a department of education in Washington?

Mr. REED of New York. It is simply a matter of information. Both sides were heard completely and both sides want this for their own information.

Mr. SNELL. If it is just to increase the amount of propaganda being sent out, I would oppose the resolution.

Mr. LAGUARDIA. What are the illustrations?

Mr. BEERS. Just some charts that must go with it, that will cost about $9 or $10.

Mr. REED of New York. They are just little charts showing the various costs of education.

Mr. LAGUARDIA. Just charts?

Mr. REED of New York. Yes; that is all. It will amount to $9.50.

The committee amendments were agreed to.

The SPEAKER. The question is on agreeing to the resolution.

Mr. GARNER of Texas. Mr. Speaker, I do not want it to show that this resolution passed by unanimous consent.

The resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. GARRETT of Texas) there were 146 ayes and 21 noes.

So the resolution was agreed to.

THE REVENUE BILL

Mr. HAWLEY. Mr. Speaker, I call up the report on H. R. 1, the revenue bill, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Oregon calls up the conference report on H. R. 1 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce anl equalize taxation, provide revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 8, 13, 21, 24, 25, 26, 27, 28, 36, 54, 81, 82, 88, 139, 149, 175, 176, 191, 192, 194, 195, 196, 197, 198, 199, and 200.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 5, 6, 7, 11, 12, 14, 16, 17, 18, 19, 20, 22, 23, 29, 30, 31, 32, 34, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 59, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 76, 77, 78, 79, 80, 83, 84, 85, 86, 87, 89, 90, 92, 93, 94, 95, 96, 97, 98, 100, 101, 103, 104, 105, 106, 107, 108, 109, 110, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 131, 132, 133, 134, 135, 136, 137, 138, 140, 141, 142, 143, 144, 145, 146, 147, 148, 153, 154, 155, 156, 158, 159, 160, 161, 162, 163, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 177, 178, 179, 180, 181, 182, 183, 184, 185, 188, 189, 193, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 221, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 404. Credit of gift tax and a period"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted and restore the matter proposed to be stricken out by the Senate amendment, and on page 6 of the House bill strike out the sixth line under the heading "Title IV—Administrative Provisions," and in lieu thereof insert the following:

"SEC. 605. Retroactive regulations and a period"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 702. Basis of property upon sale by estate—retroactive.
"SEC. 703. Deduction of estate and inheritance taxes—retroactive.
"SEC. 704. Taxability of trusts as corporations—retroactive.
"SEC. 705. Installment sales—retroactive.
"SEC. 706. Contributions to charity—retroactive.
"SEC. 707. Income tax on sale of vessels built before 1914.
"SEC. 708. Definition of the term 'motor boat.'
"SEC. 709. Remission or mitigation of forfeitures.
"SEC. 710. Refunds and credits to be referred to joint committee.
"SEC. 711. Commissioners of Court of Claims.
"SEC. 712. Bureau of Internal Revenue—details to Washington.
"SEC. 713. Salaries of collectors of internal revenue.
"SEC. 714. Repeals.
"SEC. 715. Separability clause.
"SEC. 716. Effective date of act."

And a period.

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per cent"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 224 of the House bill, after line 8, and after the section inserted by Senate amendment 215, insert the following:

"SEC. 706. CONTRIBUTIONS TO CHARITY—RETROACTIVE.

"In computing the net income of any individual, other than a nonresident alien, for the taxable year 1923, there shall be allowed as a deduction (subject to the percentage limitation prescribed by section 214(a)(11) of the revenue act of 1921) any contributions or gifts to or for the use of a trust organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, if such individual made during the taxable year 1924 contributions or gifts to the same trust and in the aggregate of substantially the same amount. In no case shall there be allowed as a deduction under this section contributions or gifts to an amount in excess of $50,000. Any tax paid in respect of such deduction shall, subject to the statutory period of limitation applicable thereto, be credited or refunded."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(q) Pension trusts.—An employer establishing or maintaining a pension trust to provide for the payment of reasonable pensions to his employees (if such trust is exempt from tax under section 165, relating to trusts created for the exclusive benefits of employees) shall be allowed as a deduction (in addition to the contributions to such trust during the taxable year to cover the pension liability accruing during the year, allowed as a deduction under subsection (a) of this section) a reasonable amount transferred or paid into such trust during the taxable year in excess of such contributions, but only if such amount (1) has not theretofore been allowable as a deduction, and (2) is apportioned in equal parts over a period of 10 consecutive years beginning with the year in which the transfer or payment is made."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: On page 12 of the Senate engrossed amendments, line 8, strike out the period and insert a semicolon; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: On page 14 of the Senate engrossed amendments, at the end of line 14, insert a period and the following:

"In the case of property transferred in trust to pay the income for life to or upon the order or direction of the grantor, with the right reserved to the grantor at all times prior to his death to revoke the trust, the basis of such property in the hands of the persons entitled under the terms of the trust instrument to the property after the grantor's death shall, after such death, be the same as if the trust instrument had been a will executed on the day of the grantor's death."

And the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: On page 20 of the Senate engrossed amendments, line 17, strike out all after "group" and insert in lieu thereof a period and the following: "An insurance company subject to the tax imposed by section 201 or 204 shall not be included in the same consolidated return with a corporation subject to the tax imposed by section 13" and a period; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "12 per centum"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment as follows: On page 166 of the House bill, line 4, strike out "three" and insert "two"; and on page 178 of the House bill, line 20, strike out "three" and insert "two"; and on page 178 of the House bill, line 25, strike out "three" and insert "two"; and on page 179 of the House bill, line 2, strike out "three" and insert "two"; and on page 180 of the House bill, line 10, strike out "three" and insert "two"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the Senate amendment, and on page 186 of the House bill, line 13, strike out "or" and insert a comma and the following: "credit, or abatement"; and the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 186 of the House bill, line 16, strike out "or" and insert a comma and the following: "credit, or abatement"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 186 of the House bill, line 18, strike out "or" and

insert a comma and the following: "credit, or abatement"; and the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(a) No refund shall be made of any amount paid by or collected from any manufacturer, producer, or importer in respect of the tax imposed by subdivision (3) of section 600 of the revenue act of 1924, or subdivision (3) of section 900 of the revenue act of 1921 or of the revenue act of 1918, unless either—

"(1) Pursuant to a judgment of a court in an action duly begun prior to April 30, 1928; or

"(2) It is established to the satisfaction of the commissioner that such amount was in excess of the amount properly payable upon the sale or lease of an article subject to tax, or that such amount was not collected, directly or indirectly, from the purchaser or lessee, or that such amount, although collected from the purchaser or lessee, was returned to him; or

"(3) The commissioner certifies to the proper disbursing officer that such manufacturer, producer, or importer has filed with the commissioner, under regulations prescribed by the commissioner with the approval of the Secretary, a bond in such sum and with such sureties as the commissioner deems necessary, conditioned upon the immediate repayment to the United States of such portion of the amount refunded as is not distributed by such manufacturer, producer, or importer, within six months after the date of the payment of the refund, to the persons who purchased for purposes of consumption (whether from such manufacturer, producer, importer, or from any other person) the articles in respect of which the refund is made, as evidenced by the affidavits (in such form and containing such statements as the commissioner may prescribe) of such purchases, and that such bond, in the case of a claim allowed after February 28, 1927, was filed before the allowance of the claim by the commissioner.

"(b) The second proviso under the heading 'Internal revenue' in section 1 of the first deficiency act, fiscal year 1928, and the second proviso of the fourth paragraph under the heading 'Internal Revenue Service' in section 1 of the Treasury and Post Office appropriation act for the fiscal year 1929, are repealed" and a period.

And the Senate agree to the same.

Amendment numbered 164: That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 442. TAX ON STEAMSHIP TICKETS.

"(a) Subdivision 5 of Schedule A of Title VIII of the revenue act of 1926 is amended to read as follows:

"'5. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, Mexico, or Cuba, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5. This subdivision shall not apply to passage tickets costing $10 or less.'

"(b) Subsection (a) of this section shall take effect on the expiration of 30 days after the enactment of this act."

And the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "or the Undersecretary" and a comma; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: On page 37 of the Senate engrossed amendments, lines 7 and 8, strike out "extinguishment of liability by bar of statute of limitations" and insert "effect of expiration of period of limitation"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"SEC. 611. COLLECTIONS STAYED BY CLAIM IN ABATEMENT.

"If any internal-revenue tax (or any interest, penalty, additional amount, or addition to such tax) was, within the period of limitation properly applicable thereto, assessed prior to June 2, 1924, and if a claim in abatement was filed, with or without bond, and if the collection of any part thereof was stayed, then the payment of such part (made before or within one year after the enactment of this act) shall not be considered as an overpayment under the provisions of section 607, relating to payments made after the expiration of the period of limitation on assessment and collection."

And the Senate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows: On page 41 of the Senate engrossed amendments, line 21, after "taxable," insert "(whether distributed or not)"; and the Senate agree to the same.

Amendment numbered 215: That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment as follows: On page 42 of the Senate engrossed amendments, line 11, strike out "a return or an amended," and insert "an original"; and the Senate agree to the same.

Amendment numbered 216: That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows: On page 44 of the Senate engrossed amendments, line 4, after the period, insert "The basis of any such new ship shall be reduced by the amount of the gain from such sale exempt from taxation under this paragraph" and a period; and the Senate agree to the same.

Amendment numbered 217: That the House recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 708. DEFINITION OF THE TERM 'MOTOR BOAT.'

"The term 'motor boat,' when used in the act of September 21, 1922, includes a yacht or pleasure boat, regardless of length or tonnage, whether sail, steam, or motor propelled, owned by a resident of the United States or brought into the United States for sale or charter to a resident thereof, whether or not such yacht or boat is brought into the United States under its own power, but does not include a yacht or boat used or intended to be used in trade or commerce, nor a yacht or boat built or for the building of which a contract was entered into prior to December 1, 1927."

And the Senate agree to the same.

Amendment numbered 218: That the House recede from its disagreement to the amendment of the Senate numbered 218, and agree to the same with an amendment as follows: On page 44 of the Senate engrossed amendments, line 17, strike out "penalties" and insert "forfeitures"; and the Senate agree to the same.

Amendment numbered 219: That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: On page 45 of the Senate engrossed amendments, line 2, strike out "709" and insert "710"; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: On page 45 of the Senate engrossed amendments, line 18, strike out "710" and insert "711"; and the Senate agree to the same.

Amendment numbered 222: That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "712"; and the Senate agree to the same.

Amendment numbered 223: That the House recede from its disagreement to the amendment of the Senate numbered 223, and agree to the same with an amendment as follows: On page 46 of the Senate engrossed amendments, line 6, strike out "712" and insert "713"; and the Senate agree to the same.

Amendment numbered 224: That the House recede from its disagreement to the amendment of the Senate numbered 224, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "714"; and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "715"; and the Senate agree to the same.

Amendment numbered 226: That the House recede from its disagreement to the amendment of the Senate numbered 226, and agree to the same with an amendment as follows: In lieu

of the matter proposed to be inserted by the Senate amendment insert "716"; and the Senate agree to the same.

W. C. HAWLEY,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
JNO. N. GARNER,
J. W. COLLIER,
Managers on the part of the House.
REED SMOOT,
GEO. P. MCLEAN,
DAVID A. REED,
PETER G. GERRY,
PAT HARRISON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: This amendment makes a clerical change; and the House recedes.

On amendment No. 2: This amendment makes a clerical change; and the Senate recedes.

On amendment No. 3: This amendment makes a clerical change; and the House recedes.

On amendment No. 4: This amendment makes a clerical change; and the House recedes with an amendment making a further clerical change.

On amendment Nos. 5, 6, and 7: These amendments make clerical changes; and the House recedes.

On amendment No. 8: This amendment makes a clerical change; and the Senate recedes.

On amendments Nos. 9 and 10: These amendments make clerical changes; and the House recedes with amendments making further clerical changes.

On amendments Nos. 11 and 12: The House bill made the income-tax title of the new bill applicable to the taxable year 1927 and succeeding taxable years and provided that income and excess-profits taxes for taxable years preceding the taxable year 1927 should remain subject to prior revenue acts except as expressly modified by the new act. This covered not only provisions as to rates but the administrative provisions as well. Senate amendments 11 and 12 provide that the new income-tax title shall begin with the taxable year 1928 instead of the taxable year 1927. The House recedes. This action on the part of the conferees necessitates that the House also recede on a number of other amendments of the Senate carrying out this same purpose, which are noted below under their respective numbers.

On amendment No. 13: The House bill made no change in the surtax rates of the existing law. The Senate amendment adjusts surtax rates on incomes in excess of $20,000, the reduction aggregating $25,000,000; and the Senate recedes.

On amendment No. 14: This amendment makes a clerical change; and the House recedes.

On amendment No. 15: The House bill reduced the corporation rate from 13½ to 11½ per cent. The Senate amendment reduced the rate to 12½ per cent. The House recedes with an amendment fixing the rate at 12 per cent.

On amendment No. 16: The House bill provided that corporations with net incomes of not more than $15,000 in excess of the credits provided in section 26, should be subject to a graduated tax of from 5 per cent to 9 per cent. The Senate amendment strikes out this provision; and the House recedes.

On amendments Nos. 17, 18, 19, and 20: These amendments make clerical changes; and the House recedes.

On amendment No. 21: The House bill omitted the provision in prior revenue acts purporting to tax the salaries of the President, of the judges of the Supreme and inferior courts of the United States, and of all other officers and employees of the United States, Alaska, Hawaii, etc., on the ground that in so far as this compensation can be taxed under the Constitution it is covered in the general definition of income. The Senate amendment in terms makes the salary of the President of the United States taking office after the enactment of the new act taxable; and the Senate recedes.

On amendment No. 22: The House bill allowed the owner of a cooperative apartment to deduct the amount of his payments to the cooperative corporation representing his share of the interest and taxes paid by the corporation. This amendment and amendments 34 and 39 strike out these provisions; and the House recedes.

On amendment No. 23: This amendment makes a clerical change; and the House recedes.

On amendment No. 24: This amendment makes a clerical change; and the Senate recedes.

On amendment No. 25: This amendment makes a clerical change; and the Senate recedes.

On amendments Nos. 26, 27, and 28: The Senate amendments are intended primarily to permit doctors and other professional men to deduct their expenses in attending meetings of their organizations. These expenses usually are not deductible under the existing law, and the effect of the amendment was to authorize nonbusiness deductions; and the Senate recedes.

On amendment No. 29: The effect of this amendment is to permit the deduction of taxes assessed against local benefits of a kind tending to increase the value of the property assessed in so far as such taxes are properly allocable to maintenance or interest charges, the question arising principally in connection with taxes levied by certain drainage districts; and the House recedes.

On amendment No. 30: Under existing law difficulty has been experienced in determining and allowing the deduction for depreciation in cases where property is held by one person for life with remainder to another person; and the deduction, in the case of property held in trust, is allowable only to the trustee. The Senate amendment provides that a life tenant, for the purpose of this deduction, shall be considered as the absolute owner, so that he will be entitled to the deduction during his life, and that thereafter the deduction, if any, will be allowed to the remainderman. In the case of property held in trust, the allowable deduction is to be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the will, deed, or other instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income which is allocable to the trustee and the beneficiaries, respectively. For example, if the trust instrument provides that the income of the trust computed without regard to depreciation shall be distributed to a named beneficiary, such beneficiary will be entitled to the depreciation allowance to the exclusion of the trustee, while if the instrument provides that the trustee in determining the distributable income shall first make due allowance for keeping the trust corpus intact by retaining a reasonable amount of the current income for that purpose, the allowable deduction will be granted in full to the trustee. The bill contains similar provisions as to the deduction for depletion. The Senate amendment provides for an equitable apportionment of the deduction in these cases; and the House recedes.

On amendments Nos. 31 and 32: The purpose and effect of these amendments, which relate to the deduction for depletion in the case of property held by one person and the remainder to another person, and in the case of property held in trust, is similar in effect to amendment No. 30; and the House recedes.

On amendment No. 33: This amendment extends the provisions of the bill relating to deductions for charitable contributions or gifts to trusts, to cases arising under the revenue act of 1921. The House recedes with an amendment defining narrowly the circumstances under which such deduction shall be allowed retroactively so that it will apply only to the case for the relief of which the amendment was intended.

On amendment No. 34: The purpose of this amendment, which relates to the deductions granted to owners of cooperative apartments, is explained in connection with amendment No. 22; and the House recedes.

On amendment No. 35: The Senate amendment provided that an employer who had established a pension reserve could transfer the reserve to a pension trust of the type exempt under section 165 of the bill, and would be permitted to deduct the amounts so transferred, the deduction to be prorated over a period of years equivalent to the time during which the reserve was accumulated. There are two other classes of cases which should be provided for: (1) The creation of a pension trust by an employer who has had a pension plan in existence, but who has been paying the pensions out of current income, for example, without the establishment of a pension reserve; and (2) the employer who creates a pension trust and adopts for the first time a pension plan. Upon the creation of a pension trust, the payments of the employer, in any of the above cases, consist of contributions covering the pension liability accruing during the year (which are allowed as a deduction under section 23(a) of the new law, assuming the reasonableness of the contribution) and payments made during the year, for example, on account of the pension liability which would have accrued during prior years had the plan been in existence, or to build up reserves in order to place the plan upon a basis which is actuarily sound. The House recedes with an amendment permitting the spread of the payments of the latter type above described over a period of 10 years.

On amendment No. 36: This amendment proposes to allow as a deduction from income all expenses paid or incurred in con-

testing liability for any tax, Federal, State, municipal, or otherwise; and the Senate recedes.

On amendment No. 37: This is a clerical amendment which is necessary in connection with amendments Nos. 30, 31, and 32; and the House recedes.

On amendment No. 38: This amendment makes a clerical change; and the House recedes.

On amendment No. 39: This amendment, which relates to additional deductions to owners of cooperative apartments, is discussed above with amendment No. 22; and the House recedes.

On amendment No. 40: This amendment increases from $20,000 to $30,000 the maximum amount which can be considered as earned net income, for the purpose of the earned income credit; and the House recedes.

On amendment No. 41: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 42, 43, and 44: These amendments were made necessary by the action of the Senate (by amendments 11 and 12) in making the new income tax title first apply to 1928, instead of 1927 as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendments Nos. 45, 46, and 47: These amendments make clerical changes; and the House recedes.

On amendments Nos. 48, 49, and 50: These amendments were made necessary by the action of the Senate (by amendments 11 and 12) in making the new income tax title first apply to 1928, instead of 1927 as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendments Nos. 51, 52, and 53: These amendments make clerical changes; and the House recedes.

On amendment No. 54: The House bill retained the provisions of the present law (section 257 of the revenue act of 1926) relating to the examination and inspection of income-tax returns. The Senate amendment permits the examination and inspection of such returns under the same rules and regulations as govern the examination of public documents generally; and the Senate recedes.

On amendments Nos. 55, 56, 57, and 58: These amendments make clerical changes; and the House recedes.

On amedment No. 59: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928, instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 60: This amendment makes a clerical change; and the House recedes.

On amendment No. 61: The Senate amendment exempts corporations organized by an exempt farmers' cooperative marketing or purchasing association or the members thereof for the purpose of financing the ordinary crop operations of such members or other producers and operated in conjunction with the cooperative marketing or purchasing association. The House recedes with a clerical amendment.

On amendments Nos. 62, 63, 64, 65, and 66: These amendments make clerical changes; and the House recedes.

On amendment No. 67: This amendment introduces into the law a new kind of exempt organization, namely, teachers' retirement-fund associations of a purely local character. The exemption is conditioned on the association complying with two conditions: First, that except for payment of retirement benefits, no part of the net earnings shall inure to the benefit of any private shareholder or individual; and, second, the income of the association must consist exclusively of receipts from public taxation, assessments against the teaching salaries of members, and income from investments; and the House recedes.

On amendments Nos. 68, 69, and 70: The House bill provided for a special tax on "personal holding companies" in order to discourage the retention by such companies of excessively large accumulations of surplus for the purpose of avoiding surtaxes on their members. The Senate amendments strike out the provisions of the House bill and restore the present law (section 220 of the revenue act of 1926); and the House recedes, the effect being to restore the existing law on the subject.

On amendment No. 71: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 72, 77, 78, 79, and 80: The House bill eliminated the provisions of existing law relative to corporate distributions of earnings and profits accumulated, or increase in value of property, prior to March 1, 1913. These amendments restore the provisions of the existing law; and the House recedes.

On amendments Nos. 73, 74, and 75: The purpose of these amendments is to clarify and establish the law with respect to the basis of property acquired by transfer in trust other than a transfer in trust by bequest or devise, by gift on or before December 31, 1920, by the exercise of a power of appointment, by transmission at death, and by transfer in contemplation of or intended to take effect at or after death.

Section 113 (a) (3) is amended (No. 73) by striking out the last sentence of the House bill, with the effect of including within the paragraph transfers in trust made after December 31, 1920, even if made in contemplation of death or to take effect in possession or enjoyment at or after death. The basis provided in such cases is the basis the property would have in the hands of the grantor, adjusted for gain or loss recognized to the grantor when the transfer was made; and the House recedes.

Section 113 (a) (4) is amended (No. 74) so as to provide that the basis in the case of property passing under a power of appointment, regardless of the time of acquisition, shall be the fair market value on the date of acquisition, which is the rule of the existing law; and the House recedes.

Section 113 (a) (5) is amended (No. 75) so as to provide that in the case of specific bequest of personalty or a general or specific device of realty or the transmission of realty by intestacy the basis shall be the fair market value of the property at the time of the death of the decedent. In these cases it may be said, as a matter of substance, that the property for all practical purposes vests in the beneficiary immediately upon the decedent's death, and therefore the value at the date of death is a proper basis for the determination of gain or loss to the beneficiary. The same rule is applied to real and personal property transmitted by the decedent, where the sale is made by the executor. In all other cases the basis is the fair market value of the property at the time of the distribution to the taxpayer. The latter rule would obtain, for example, in the case of personal property not transmitted to the beneficiary by specific bequest, but by general bequest or by intestacy. It would also apply in cases where the executor purchases property and distributes it to the beneficiary; and the House recedes, with the following amendment:

A special rule is provided in section 113 (a) (5) by which to determine the basis of property transferred in trust with the right reserved to the grantor at all times prior to his death to revoke the trust where the sale or other disposition of property occurs after the death of the grantor. This rule includes sales or other dispositions by the trustee and also by a beneficiary of the trust. In view of the complete right of revocation in such cases on the part of the grantor at all times between the date of creation of the trust and his death, it is proper to view the property for all practical purposes as belonging to the grantor rather than the beneficiaries and to treat the property as vesting in the beneficiaries according to the terms of the trust instrument, not at the date of creation of the trust but rather on the date of the grantor's death for the purpose of determining gain or loss on sale or other disposition of the property after the grantor's death by the trustee or by a beneficiary. Accordingly it is provided that the basis of such property in the hands of the persons entitled thereto by the terms of the trust instrument after the grantor's death shall be the same as if the trust instrument had been a will executed on the date of his death. Thus property acquired by virtue of revocable trusts of the kind described is treated for all practical purposes the same as though it had been transmitted by the grantor by will at his death.

On amendment No. 76: The House bill delegated to the commissioner, with the approval of the Secretary, power to prescribe regulations legislative in character for the determination of the basis, after the period of affiliation, of property acquired by a corporation during the period of affiliation from an affiliated corporation. In the restoration of the privilege to file consolidated returns, it was necessary to cover property required in 1929 or thereafter, and the Senate amendment provides that in such case the basis shall be determined in accordance with the legislative regulations prescribed under the consolidated return provisions; and the House recedes.

On amendments Nos. 77, 78, 79, 80: These amendments are above discussed in connection with amendment No. 72; and the House recedes.

On amendment No. 81: The House bill provided for the exemption of the compensation of any individual employed by Alaska or Hawaii or any political subdivision thereof as a teacher in any educational institution. The Senate amendment extends the exemption to all officers or employees of any State or Territory or political subdivision thereof, whether or not engaged in a governmental function, and of any corporation 95 per cent of the stock of which is owned or controlled by a State, Territory, or political subdivision (such as public-utility

corporations). The amendment extends the exemption accorded by the Constitution (see, Stone, J., in Metcalf & Eddy *v.* Mitchell, 269 U. S. 514, and cases there cited); and the Senate recedes.

On amendment No. 82: Under existing law and the House bill a State, Territory, political subdivision, or the District of Columbia which may be entitled to the proceeds from the operation of a public utility is entitled to a refund of that portion of the income tax paid by the public utility which is attributable to the income accruing directly to such State, Territory, political subdivision, or the District of Columbia but only in cases where the contract under which the utility is operated was entered into prior to September 8, 1916. The Senate amendment extends the exemption to all such cases regardless of the date of the contract, thus extending the constitutional exemption; and the Senate recedes.

On amendment No. 83: This amendment deals with the situation (illustrated by the case of the St. Charles River Bridge) where a State or political subdivision, pursuant to a contract to which it is not a party, is to acquire a bridge and payment therefor in whole or in part is to be made from the earnings from the bridge. So much of the tax on the net income as is attributable to the earnings which but for the tax would accrue to or for the benefit of the State or political subdivision shall be refunded to the State or political subdivision. No refund is to be made unless the entire amount of the refund is applied toward the purchase price of the bridge. The House recedes.

On amendments Nos. 84 and 85: These amendments make clerical changes; and the House recedes.

On amendments Nos. 86 and 87: These amendments were made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928, instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 88: This amendment provides for allocating the income from the operation of bridges between the United States and contiguous foreign countries in accordance with an agreement to be entered into between the President of the United States and the proper authorities of such foreign country. The allocation can be made in proper cases under the existing law; and the Senate recedes.

On amendments Nos. 89 and 90: These amendments were made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928, instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 91: The House bill made no provision for the filing by affiliated corporations of a consolidated return after the taxable year 1928. The Senate amendment permits the filing of a consolidated return by an affiliated group providing the affiliated group consents to regulations issued by the commissioner prior to the making of the return relating to the computation of the consolidated net income of the group, and of the net income of the members of the group, after the period of affiliation.

Among the regulations which it is expected that the commissioner will prescribe are: (1) The extent to which gain or loss shall be recognized upon the sale by a member of the affiliated group of stock issued by any other member of the affiliated group or upon the dissolution (whether partial or complete) of a member of the group; (2) the basis of property (including property included in an inventory) acquired, during the period of affiliation by a member of the affiliated group, including the basis of such property after such period of affiliation; (3) the extent to which, and the manner in which, net losses sustained by a corporation before it became a member of the group shall be deducted in the consolidated return; and the extent to which and the manner in which net losses sustained during the period for which the consolidated return is filed shall be deducted in any taxable year after the affiliation is terminated in whole or in part; (4) the extent to which, and the manner in which, gain or loss is to be recognized, upon the withdrawal of one or more corporations from the group, by reason of transactions occurring during the period of affiliation; and (5) that the corporations filing the consolidated return must designate one of their members as the agent for the group, in order that all notices may be mailed to the agent, deficiencies collected, refunds made, interest computed, and proceedings before the Board of Tax Appeals conducted as though the agent were the taxpayer.

The House recedes with a clarifying amendment to subdivision (e) of the Senate amendment providing specifically that an insurance company subject to the tax imposed by section 201 or 204 shall not be included in the same consolidated return with a corporation subject to the tax imposed by section 13.

On amendment No. 92: This amendment makes a clerical change; and the House recedes.

On amendment No. 93: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928 instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 94: This amendment makes a clerical change; and the House recedes.

On amendment No. 95: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928 instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 96: This amendment makes a clerical change; and the House recedes.

On amendment No. 97: The House bill provided that a fiduciary required to make a return under the income-tax title should be subject to all the provisions of that title which apply to individuals. The Senate amendment subjects the fiduciary to all the provisions of law applying to individuals; and the House recedes.

On amendment No. 98: This amendment makes a clerical change; and the House recedes.

On amendment No. 99: The House bill provides that withholding at the source in the case of interest payments on tax-free covenant bonds to a foreign corporation where the liability assumed by the obligor does not exceed 2 per cent of the interest, shall be at the rate of 11½ per cent. The Senate amendment fixes the rate at 12½ per cent and the House recedes with an amendment by which the rate is fixed at 12 per cent.

On amendments Nos. 100 and 101: These amendments make clerical changes; and the House recedes.

On amendment No. 102: The House bill provides for withholding at the source in the case of foreign corporations at the rate of 11½ per cent. The Senate amendment fixes the rate at 12½ per cent. The House recedes with an amendment fixing the rate at 12 per cent.

On amendments Nos. 103 to 110, inclusive: These amendments make clerical changes; and the House recedes.

On amendments Nos. 111, 112, 113, and 114: In accordance with Senate amendment 15, these amendments change the rates in the case of insurance companies from 11½ to 12½ per cent; and the House recedes with an amendment making the rates 12 per cent.

On amendments Nos. 115, 116, 117, and 118: In the case of an insurance company (other than a life or mutual) under existing law and under the House bill the gain or loss from the sale or other disposition of property (including securities) is not recognized. The effect of these amendments is to recognize such gains and losses; and the House recedes.

On amendments Nos. 119 to 129, inclusive: These amendments make clerical changes; and the House recedes.

On amendment No. 130: The House bill requires that the amount of all income taxes imposed for 1928 and subsequent years shall be assessed within three years after the return was filed and provides that no court proceeding without assessment may be begun after the expiration of such period. The Senate amendment reduces the period to two years. The House recedes with an amendment which establishes a like period for the filing of claims for refund or credit of income taxes for 1928 and subsequent years.

On amendments Nos. 131, 132, 133, and 134: The House bill provided that waivers filed after the expiration of the period of limitation, in the case of income taxes imposed by the new law, should be valid. The Senate amendments eliminate this provision; and the House recedes.

On amendment No. 135: This amendment makes a clerical change; and the House recedes.

On amendment No 136: The House bill permitted the assessment of the liability of a transferee of a transferee within one year after the expiration of the period of limitation for assessment against the preceding transferee. The Senate amendment provides that the aggregate period of limitation can not exceed three years from the date of the expiration of the period of limitation for assessment against the taxpayer; and the House recedes.

On amendment No. 137: This amendment makes a clerical change; and the House recedes.

On amendment No. 138: The effect of the Senate amendment is to restore as of January 1, 1926 (the effective date of its repeal) section 322 of the revenue act of 1924, which provided that where the amount of a gift is required to be included in the gross estate of the decedent the estate should be credited with the amount of the gift tax; and the House recedes.

On amendment No. 139: The purpose of this amendment is to modify the definition of the term "deficiency" for the purpose

of permitting an appeal to the Board of Tax Appeals in cases where a disputed item arises in a taxable year in which the rate of tax has been retroactively lowered. Under existing law the right to contest the disputed item exists by way of a claim and suit for refund unless the difference in the tax caused by the retroactive reduction is abated; and the Senate recedes.

On amendments Nos. 140 and 141: The House bill increased the exemption from the tax on admission and dues from 75 cents to $1. The Senate amendment increases the exemption to $3; and the House recedes.

On amendment No. 142: The existing law imposes, in the case of theater tickets, etc., sold by brokers, a tax of 5 per cent of the broker's charge if it does not exceed 50 cents, and a tax of 50 per cent if it does exceed 50 cents. The Senate amendment fixes the dividing line at 75 cents instead of 50 cents; and the House recedes.

On amendment No. 143: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 144, 145, and 146: The House bill reduced the dues tax from 10 per cent to 5 per cent of the amount paid as dues or members' fees to any social, athletic, or sporting club where the dues or fees exceed $10 a year or paid as initiation fees if the fees amount to more than $10 or if the dues or members' fees not including initiation fees exceed $10 per year. The Senate amendments restore the rate to 10 per cent and increase the amount payable as dues or membership fees, without the imposition of the tax, from $10 to $25; and the House recedes.

On amendment No. 147: This amendment makes a clerical change; and the House recedes.

On amendment No. 148: The House bill repealed the automobile tax and provided for a refund of one-half the tax paid in case of automobiles sold by the manufacturer (for example) to the dealer (including also a chassis manufacturer, for example, who has purchased a body and a tax upon the sale has been paid) and held by him on the date of the repeal of the tax. The Senate amendment provides for refund (or if the tax has not been paid, for the abatement) of the full amount of tax in such cases; and the House recedes.

On amendment No. 149: The House bill provided that the refund of the tax on automobiles held by a dealer on the date of the enactment of the act could be applied as a credit against the tax shown by subsequent returns of the manufacturer. The Senate amendment strikes out this provision; and the Senate recedes.

On amendments Nos. 150, 151, 152: These amendments make clerical changes; and the House recedes with amendments making further clerical changes.

On amendments Nos. 153 and 154: These amendments made the changes necessary on account of the repeal of the automobile tax, in the provisions relating to the refund of taxes paid by purchasers after the repeal of the tax, under the conditions prescribed in the House bill (section 423); and the House recedes.

On amendments Nos. 155 and 156: These amendments make clerical changes; and the House recedes.

On amendment No. 157: The House bill prohibited refunds of automobile-accessories taxes, except in the following cases: (1) Pursuant to a judgment of a court in an action begun prior to the date of the enactment of the deficiency act of 1927; or (2) unless the amount was an ordinary overpayment of the amount due upon the sale of an article actually subject to the tax; or (3) if the manufacturer had collected the amount of the tax from the purchaser, he had refunded such amount to the purchaser; or (4) unless the manufacturer to whom the refund is to be made has filed a bond conditioned upon the return of any part of the refund which he has not been able to pass back to the consumer.

The Senate amendment struck out the provisions of the House bill and denied refunds, except in the following cases: (1) Pursuant to a judgment of a court in an action begun prior to February 28, 1928; or (2) it is established to the satisfaction of the commissioner that the amount to be refunded was not added separately on the invoice to the purchaser, or, if so added, had been returned to the purchaser; or (3) a bond was given, similar to the requirement of the House bill.

The House recedes with an amendment denying refunds, except in the following cases: (1) Pursuant to a judgment of a court in an action duly begun prior to April 30, 1928; or (2) unless the amount was an ordinary overpayment of the amount due upon the sale of an article actually subject to the tax; or (3) the amount was not collected, directly or indirectly, from the purchaser, or, if collected, has been returned to him; or (4) a bond is given upon the conditions described above.

On amendment No. 158: This amendment permits cigars to be packed in boxes of 20; and the House recedes.

On amendment No. 159: The House bill increases the excise tax on the use of foreign-built boats to five times the rate imposed by existing law. The Senate amendment eliminates this provision and repeals entirely the tax imposed by existing law, substituting therefor a definition (section 707, amendment 217) applicable to paragraph 370 of the tariff act of 1922, under which the tariff duty will be imposed upon yachts and boats of the kind now subject to the excise tax; and the House recedes on amendment 159, and recedes with an amendment on amendment 217.

On amendment No. 160: Under existing law and the House bill the narcotics tax imposed on retail dealers is $6 a year. The Senate amendment reduces the tax to $3 a year; and the House recedes.

On amendment No. 161: This amendment exempts from the stamp tax imposed by section 801 of the revenue act of 1926, stocks, bonds, and other certificates of indebtedness issued by certain cooperative farmer or fruit growers' associations; and the House recedes.

On amendment No. 162: The House bill repeals the stamp tax imposed by subdivision 4 of Schedule A of Title VIII of the revenue act of 1926 on sale of produce on exchanges. The Senate amendment restores this tax; and the House recedes.

On amendment No. 163: The House bill reduces the stamp tax, imposed by subdivision 3 of Schedule A of Title VIII of the revenue act of 1926 on sales or transfers of capital stock, from 2 cents on each $100 of face value or fraction thereof to 1 cent. The Senate amendment restores the existing law; and the House recedes.

On amendment No. 164: The Senate amendment exempts from tax steamship tickets for transportation to Cuba, as in the case of transportation to Canada and Mexico; and the House recedes with a clerical amendment prescribing the effective date of the amendment.

On amendment No. 165: The House bill requires postmasters in all cities of more than 50,000 inhabitants to have for sale a suitable quantity of revenue stamps. The Senate amendment requires this to be done in cities of over 25,000 inhabitants; and the House recedes.

On amendments Nos. 166 and 167: The Senate amendments provide for the reduction to the pre-war level of the rates of tax upon wines containing more than 21 per cent and not more than 24 per cent of absolute alcohol; and the House recedes.

On amendment No. 168: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income-tax title first apply to 1928, instead of 1927, as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 169: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 170, 171, 172, and 173: These amendments, which relate to the validity of waivers executed after the expiration of the period of limitation intended to be waived, are similar to amendments numbered 131, 132, 133, and 134 above. The House bill made such waivers effective even though executed after the expiration of such period. The Senate amendment confines the provisions to waivers executed before the expiration of the period; and the House recedes.

On amendment No. 174: This amendment makes valid and effective any waiver executed after the expiration of the period of limitation, notwithstanding the effect of amendments numbered 170 to 173, inclusive, if entered into after the enactment of this act and before January 1, 1929. The amendment also provides that the above amendments to section 278 of the revenue act of 1926 shall not be construed as in any manner affecting the validity of waivers made prior to the enactment of this act; and the House recedes.

On amendments Nos. 175 and 176: The Senate amendments provide for the reopening of the statute of limitations upon the filing of claims for refund in cases where the taxpayer prior to January 1, 1928, filed the waiver upon the assessment of taxes for the taxable years 1917, 1918, 1919, 1920, and 1921; and the Senate recedes.

On amendment No. 177: The Senate amendment makes it clear that the division of the Board of Tax Appeals must make a determination upon the proceeding assigned to it; and the House recedes.

On amendments Nos. 178 and 179: The Senate amendment eliminates certain superfluous language of the House bill; and the House recedes.

On amendment No. 180: This amendment writes into the law a provision now carried in the appropriation acts permitting the board to renew contracts for reporting hearings; and the House recedes.

On amendment No. 181: The House bill provided that the rules of practice and procedure (other than rules of evidence) promulgated by the board under the authority of the statute should have the same force and effect as Federal equity rules. Since it is clear, under the statute, that the rules of the board have the force and effect of law, the Senate eliminates this provision as unnecessary; and the House recedes.

On amendment No. 182: Under existing law the burden of proof in proceedings before the board is on the petitioner even as to issues of fraud. The Senate amendment places upon the Government the burden of proving fraud whenever an issue of fraud is involved; and the House recedes.

On amendment No. 183: The House bill provided that no decision of the board should be modified or reversed because of its failure to consider evidence not adduced before it in evidence. The existing law is clear that the board need not consider evidence not properly placed before it and that it need not conduct independent investigations of the facts of cases pending on its docket. In view of this, the Senate eliminated the House provisions; and the House recedes.

On amendment No. 184: The House bill provided that the commissioner might proceed to enforce the liability of a taxpayer against a transferee of his property either by appropriate proceedings before the Board of Tax Appeals or by instituting suit against such transferee in the courts. The proceedings under section 280 of the present law have proved so effective in preventing the evasion of taxes and in the collection of taxes properly due that the Senate amendment strikes out the section giving the commissioner the right to proceed in court against the transferee; and the House recedes.

On amendment No. 185: Section 1108 (a) of the revenue act of 1926 permits the commissioner to apply a new regulation or Treasury decision without retroactive effect when the new regulation or Treasury decision is not immediately occasioned by a court decision. This desirable policy has been extended by the Senate amendment so as to include all regulations and Treasury decisions whether or not occasioned by a court decision. It is hoped that this provision will prevent the constant reopening of cases on account of changes in regulations or Treasury decisions, and it is believed that sound administration properly places upon the Government the responsibility and burden of interpreting the law and of prescribing regulations upon which the taxpayers may rely; and the House recedes.

On amendment No. 186: The existing law, the House bill, and the Senate bill contain provisions permitting the execution of final agreements by the Government and taxpayer relating to the tax liability of any particular year or years. The House bill provides that such an agreement may be approved by the Secretary. The Senate amendment permits approval by the Secretary, the Undersecretary, or an Assistant Secretary. The House recedes with an amendment limiting the approval to the Secretary or the Undersecretary.

On amendment No. 187: This is a clerical amendment in the nature of a rephrasing and simplification of the provisions of the House bill which do not, however, operate to change the legal effect. The House recedes with an amendment which modifies the title of the section.

On amendment No. 188: The House bill provides that if a refund is made after the expiration of the period of limitation within which the taxpayer may bring suit for such refund, the repayment shall be considered to be an overpayment unless suit was duly begun by the taxpayer. The Senate amendment permits the period for filing suit to be extended upon the execution of an agreement between the taxpayer and the commissioner agreeing to an extension pending a final decision in one or more cases named in the agreement. If the suit is favorable to the taxpayer the case may be reopened and the refund allowed, of course, without the necessity of suit; and the House recedes.

On amendment No. 189: The House bill permits the Government to recover erroneous refunds (excluding refunds which are erroneous under section 608) by suit begun within two years after the making of such refund. The Senate amendment makes it certain that this limitation does not apply to suits begun prior to May 1, 1928; and the House recedes.

On amendment No. 190: The House bill (section 611) provided that in cases in which a tax is assessed within the period for assessments and thereafter (whether before or after the expiration of such period) a claim in abatement was filed, with or without a bond, and if proceedings were not promptly instituted (as would have been the case had the claim in abatement not been filed) that then (1) if any part of the amount covered by the claim in abatement was thereafter paid, such amount should not be refunded, solely because of the fact that it was paid after the running of the statute, and (2) in cases where the amount was not paid, it could be collected by distraint or proceedings in court begun within one year after the enactment of the new law. The Senate amendment struck out this section; and the House recedes with an amendment retaining the prohibition upon refunds, as above described, and eliminating the authority for collection.

On amendments Nos. 191 and 192: These amendments make clerical changes; and the Senate recedes.

On amendment No. 193: This amendment makes it clear that the provisions of the section relating to liens for taxes are applicable to all liens in respect of any internal-revenue tax whether or not the lien is imposed by that section; and the House recedes.

On amendments Nos. 194 to 199, inclusive: These amendments make clerical changes; and the Senate recedes.

On amendment No. 200: The House bill made no change in the provisions of existing law (sec. 1107 of the revenue act of 1926) prohibiting a review by the General Accounting Office of decisions of the commissioner under the internal revenue laws. The Senate amendment provides that all claims, refunds, etc., allowed by the commissioner in excess of $10,000 shall be audited by the General Accounting Office. The audit now accorded by the Bureau of Internal Revenue is entirely adequate to protect the interests of the Government, and there is no necessity for the Senate amendment; and the Senate recedes, thus leaving section 1107 applicable.

On amendment No. 201: This amendment makes a clerical change; and the House recedes.

On amendment No. 202: The House bill makes provision for the salaries of the legislative counsel and the special assistant to the Secretary of the Treasury. Inasmuch as these provisions have become law, the Senate has eliminated them; and the House recedes.

On amendment No. 203: This amendment makes a clerical change; and the House recedes.

On amendment No. 204: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income tax title first apply to 1928, instead of 1927 as in the House bill. The House recedes, in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendments Nos. 205, 206, and 207: The House bill validated the regulations in force prior to the decision in the McKinney case providing that the basis for computing gain or loss should be the value of the property at the time of the death of the decedent, in the case of a sale by the executor of property acquired from the decedent, if the estate indicated its acquiescence in such regulations by failure to file a claim for refund or credit prior to the enactment of the new law. The Senate amendment also validates the regulations promulgated after the McKinney case, and providing that the basis should be the value of the property at the time of the death of the decedent, and gives to the estate the opportunity to exercise its option to acquiesce in the regulations at any time prior to the expiration of the period of limitation for filing a claim for refund or credit; and the House recedes.

On amendment No. 208: This amendment was made necessary by the action of the Senate (by amendments 11 and 12) in making the new income tax title first apply to 1928 instead of 1927 as in the House bill. The House recedes in accordance with the action of the conferees on Senate amendments 11 and 12.

On amendment No. 209: This amendment makes a clerical change; and the House recedes.

On amendment No. 210: The House bill contained retroactive provisions removing the uncertainty of the present law as to the deductibility, in computing net income, of amounts paid as estate, inheritance, succession, or legacy taxes, and validated the deductions claimed in the return of the taxpayer, and provided for the case where the deduction was claimed by both the estate and the beneficiary and the case where neither claimed it. The Senate amendment adopts the provisions of the House bill and extends them to cases where the deduction was claimed by a claim in abatement, and, in order to make it certain that the deduction will be allowed either to the estate or to the beneficiary in any event, the Senate amendment allows the deduction to the estate if the beneficiary is barred from filing a claim for refund by the statute of limitations, and vice versa. This provision does not permit the filing of a claim for refund, however, if the period of limitation has expired; and the House recedes.

On amendments Nos. 211, 212, and 213: These amendments make clerical changes; and the House recedes.

On amendment No. 214: Under existing law there is considerable confusion as to the proper distinction to be drawn between a trust and an association, particularly certain so-called real-estate trusts. While it is not deemed advisable at this time to write into the statutes a more explicit definition of a trust and an association, it was desirable by the Senate to make specific provision retroactively to make definite and certain the tax liability in the past of these organizations. The House recedes with a clarifying amendment, making it certain that the amounts will be taxable to the beneficiaries, whether or not such amounts are actually distributed, and whether or not such amounts are distributable to the beneficiaries.

Amendment No. 215: The House bill contained no provision of retroactive application to taxpayers changing from the accrual to the installment basis for reporting income for tax purposes. The 1919 regulations of the Treasury prescribed in such cases the so-called double tax rule. The 1920 regulations, however, abandoned this rule. In 1925 the Board of Tax Appeals held the 1920 regulations invalid upon the ground that they did not accurately reflect the income of the taxpayer during the transition period. Section 1208 of the revenue act of 1926 was a compromise provision writing into the law for the first time a statutory recognition of the installment basis and adopting the double tax rule of the 1919 regulations. In order to relieve taxpayers who have not yet paid the deficiencies resulting from the application of the double tax rule—in accordance with section 1208—the Senate amendment provides that in such cases the amount of the deficiency will be computed in accordance with the single tax rule; and, inasmuch as the financial status of taxpayers who have already paid an amount sufficient to cover their tax liability when computed in accordance with the double tax rule, will not be jeopardized, the Senate amendment provides that the double tax rule shall be applied in computing the right to a refund or credit. The Senate amendment was made applicable to any taxpayer who filed an original return or an amended return prior to the effective date of the revenue act of 1926 and the taxable year 1924 or any prior taxable year.

The House recedes with an amendment denying relief to a taxpayer who, for example, in 1922 filed an amended return for 1918, 1919, and 1920, shifting from the accrual to the installment basis. This taxpayer, however, will be granted relief for the year in which he filed an original return and for the years following.

On amendment No. 216: Section 23 of the merchant marine act, 1920, provided that for a 10-year period beginning in that year no tax should be imposed under the revenue act of 1918 on account of gain derived from the sale by a citizen of the United States of a vessel documented under the laws of the United States and built prior to January 1, 1914, if the proceeds were used for the acquisition of any ship built in American shipyards. The revenue act of 1918 was not in effect for any year after the year 1920. The Senate amends the merchant marine act so as to make the deduction available under revenue acts subsequent to the revenue act of 1918. The House recedes with an amendment which prescribes the basis for gain or loss on the new ship.

On amendment No. 217: This amendment is explained in connection with amendment No. 159, and the House recedes with an amendment making a change in the section number and clarifying the provisions of the section.

On amendment No. 218: There is no provision of law for the administrative remission or mitigation of forfeitures under the internal revenue laws. The Senate amendment adopts the provisions of existing law applicable to the administrative remission or mitigation of forfeitures under the customs laws and makes them applicable to forfeitures under the internal revenue laws; and the House recedes with an amendment making a change in section number.

On amendment No. 219: This amendment provides that refunds and credits in excess of $75,000 made after the enactment of this act shall be referred to the Joint Committee on Internal Revenue Taxation and that such refund or credit shall not be made until after the expiration of 30 days from the date of such reference, and also provides that a report to Congress shall be made annually by such committee of such refunds and credits; and the House recedes.

On amendment No. 220: Under the present law the salaries of the commissioners appointed to assist the judges of the Court of Claims are fixed at $5,000 a year. The Senate amendment increases this to $7,500 a year; and the House recedes with an amendment making a clerical change.

On amendement No. 221: The House bill, in order to build up the personnel necessary for the efficient administration of the internal revenue laws, authorized the Secretary to fix the compensation, without regard to the provisions of the classification act, of 23 assistants to the general counsel and 26 employees in the Bureau of Internal Revenue, at salaries not in excess of $7,500, and of 50 employees in the Bureau of Internal Revenue at salaries not in excess of $6,000 a year. Upon the assurance that at least 15 assistants to the general counsel and at least 15 administrative and technical employees in the Bureau of Internal Revenue would be so classified, under the amendments to the classification act made by the Smoot-Welch bill, in a grade the maximum salary of which is $7,500 a year, and that 50 employees of the bureau would be classified in a grade the maximum salary of which is $6,000 a year, the House has receded from its disagreement to the amendment of the Senate eliminating this section. It is also understood that the section was eliminated by the Senate upon the assurances above described.

On amendment No. 222: This amendment makes a clerical change; and the House recedes with an amendment making a further clerical change.

On amendment No. 223: The present law provides that the salaries of collectors of internal revenue may be fixed under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, but the salary shall not be in excess of $6,000. The Senate amendment makes the maximum salary $7,500; and the House recedes with an amendment making a change in section number.

On amendments Nos. 224, 225, and 226: These amendments make clerical changes; and the House recedes with amendments making further clerical changes.

W. C. HAWLEY,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
JNO N. GARNER,
J. W. COLLIER,
Managers on the part of the House

Mr. HAWLEY. Mr. Speaker and gentlemen of the House [applause], upon the appointment of the conferees by the House on the revenue bill the conferees asked the legislative counsel, the gentlemen in the employ of the Committee on Joint Taxation, the clerk to the Ways and Means Committee, and the Treasury representative to meet in the office of the chairman. We spent a day in thoroughly examining the amendments to the bill made by the Senate, so that upon entering into conference we would have a competent knowledge of what the Senate amendments proposed to do. We found it a very valuable practice to follow. It reduced the length of time in conference to a day and a half, which is the shortest period ever used in conference upon a bill of this kind.

I think we have obtained an excellent tax bill for this year, both from the standpoint of the reduction of revenue and money so saved to the taxpayers and also from the administrative changes that have been made in stopping gaps through which some have escaped taxation, and to adjust more fairly the tax. The total amount of revenue reduction is $222,495,000 for the first full year of operation. [Applause.] I give below a table showing the items in detail. It is distributed as follows, taking the items in order in which they appear: The present tax on corporations is 13½ per cent of net income, except in the case of a corporation whose net income is $25,000 or less, which has credit of $2,000 and which pays on the difference between $2,000 and the net income.

That credit has been changed to $3,000, giving the small corporations an exemption of $3,000 on any net income they may have if the total net income is $25,000 or less. That effects a reduction in taxation of $12,000,000 a year in favor of the smaller corporations.

There was a provision in the House bill relative to the graduated tax on small corporations, and after further examination it was thought advisable not to include it in the pending bill. This constitutes a saving of $24,000,000 over the House bill.

The House proposed that the corporation tax hereafter should be 11½ per cent and the Senate proposed 12½ per cent. The conferees agreed on 12 per cent. That makes a reduction of $123,450,000 and a total in favor of corporations which have had no reduction in the last two laws of $135,450,000.

In the 1926 act the taxes of corporations were really increased, because when we eliminated the capital-stock tax we changed the rate from 12½ per cent to 13½ per cent.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GARNER of Texas. Some might misunderstand my colleague and get the impression that the total tax reduction for the corporations was $123,000,000. The amount is $135,000,000.

Mr. HAWLEY. I was speaking then only of the reduction in the corporation tax, as I had already mentioned the $12,000,000 reduction due to the increased credit in the case of corporations with net incomes of $25,000 or less. Business done in corporate form is not yet placed on an equal footing with business done in individual or partnership form, but we have proceeded as far as we can in this bill. For instance, if a partnership of three persons makes $90,000 in a year and distributes $30,000 to each of the partners they will have, first, the family deduction of $3,500, and then the earned-income credit of one-fourth of the amount of the tax from the earned income not in excess of $20,000; and then they will pay not exceeding 5 per cent of the balance for the normal tax. They will pay a surtax on $20,000 of the $30,000. If, on the other hand, there were three men who are engaged in a corporate activity earning $90,000 a year, and all of it was distributed to the three members of the corporation, they would pay 13½ per cent on the $90,000 before it was distributed, and they would also pay the same surtax paid by the individual, but would have no advantage of the family deduction or the earned-income deduction.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CHINDBLOM. But they would have deductions for salaries paid to themselves out of the corporate earnings?

Mr. HAWLEY. Yes.

Mr. CHINDBLOM. So that to that extent the tax upon the corporation would be reduced?

Mr. HAWLEY. Yes; that would be a deduction, of course, in determining the taxable net income; but taking into consideration all these factors the business done in corporate form is still at a disadvantage, and it was thought by the House and the Senate conferees that this change in the law should be made, giving the corporations a total reduction of $135,450,000.

At present the earned-income provision allows a credit of one-fourth of the amount of the tax on the earned income of any individual up to $20,000. We propose to change that so that the credit shall extend to one-fourth of the tax on earned income up to $30,000, and that is the only relief given to individuals or partnerships in the present bill.

The Senate proposed a change in the intermediate brackets from $20,000 to $80,000, amounting to a reduction of revenue of $25,000,000. The House thought that was unwarranted, owing to the fact that in the three last bills we have given very material reductions to individuals and have excused many millions from paying any tax at all.

The next largest reduction in taxes is in the case of automobiles. The Committee on Ways and Means proposed to reduce the tax by one-half; that is, from 3 per cent to 1½ per cent.

The House, however, revised the proposal of the committee and eliminated the entire tax of $66,000,000. The Senate agreed to that, and that repeal remains in the bill, not being in conference.

The next largest item of reduction is in the tax on admissions and dues. The House bill proposed to raise from 75 cents to $1 the exemption from taxation on admission tickets, so that tickets costing not more than $1 would pay no tax, and all above that will pay the present tax of 1 cent per 10 cents or fraction of price charged. The Senate increased the exemption to $3, for the purpose primarily of relieving the burden now imposed upon the spoken drama. It was testified before both committees that in many parts of the country there are no theaters operating in which the spoken drama is produced. In great areas, including many States, there is no possibility of companies presenting the spoken drama. The House conferees after reconsideration agreed to the $3 exemption, which makes a total reduction in the admission tax of $17,000,000. The amendment of the Senate costs the Treasury $9,000,000 per year.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman permit an interruption?

Mr. HAWLEY. Yes.

Mr. MOORE of Virginia. The gentleman a moment ago said that he would talk about admissions and dues. He did specify what has been done with respect to admissions. Is there any change in the matter of club dues?

Mr. HAWLEY. The House proposed to reduce the tax on club dues to 5 per cent. The Senate restored the present tax of 10 per cent, but raised the exemption from $10 to $25, making a total reduction in that tax of $1,000,000. Members of clubs whose annual dues are $25 a year or less will pay no tax. That takes care of the smaller clubs.

In the House bill we continued the publicity provisions as they are in the existing law. The Senate inserted a provision to make the publicity as wide as now given to any kind of public document. After considerable debate in the conference, the Senate conferees agreed to secure action by the Senate eliminating this provision if a complete conference could be had. All other matters were settled in the conference except that. The Senate conferees secured that recession on the part of the Senate, and struck out their proposal, which leaves the publicity provisions as they are in existing law.

There are a number of items affecting administrative features of the bill which are quite fuliy explained in the statement of the managers, and I shall not take the time at this time to do more than refer to one or two of them.

Some considerable interest is manifested in the provision relating to installment returns. The Senate has language reading thus:

(a) If any taxpayer by a return or an amended return made prior to February 26, 1926, changed the method of reporting his net income for the taxable year 1924 or any prior taxable year to the installment basis, then, if his income for such year is properly to be computed on the installment basis.

That was changed so that the sentence will read:

If any taxpayer by an original return—

And so forth.

The effect of the action of the conferees may be illustrated by the following example: Suppose a taxpayer filed an amended return for prior years, changing from the accrual to the installment method of reporting income. The provision as agreed to in conference denies any relief for these prior years because of this retroactive change, and the double tax rule will be applied. If, on the other hand, the taxpayer filed an original return for 1919, for example, or any other year, whether or not he at the same time filed an amended return for prior years, he will be benefited by the section as agreed to in conference in the determination of a deficiency for 1919 and the following years of the transition period. The term "original return" is used to designate the first complete return filed for the taxable year. For example: A taxpayer may have filed merely a tentative return and have obtained permission to file a final return at a later date. If the change from accrual to installment basis was made on this final return, the relief granted by the section will apply even though the tentative return had been filed on the accrual basis. However, having once filed a final or complete return on the accrual basis for the taxable year in question, the relief will be denied if the taxpayer thereafter files an amended return for the year and changed from the accrual to the installment basis.

The section is not as sweeping as many Members of the House have thought it to be.

If there are any questions that any gentleman desires to ask, I shall be glad to answer to the best of my ability.

Mr. MACGREGOR. Mr. Speaker, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. MACGREGOR. The Senate put on an amendment exempting employees of municipal corporations, which the Supreme Court has held are not engaged in purely governmental functions. For instance, certain employees in my city are employees of the water department, and they are much concerned because they can not understand why their salaries are not exempted when the salaries of the employees in the assessor's office are exempt. I would like to have the gentleman explain it, so that when I go back home I can tell them why.

Mr. HAWLEY. Whenever a municipality or other subdivision is engaged in gainful occupation, in competition with private enterprise, it is in the nature of private enterprise. It is not really a governmental function, and it was thought that if they engaged in private enterprise, in competition with real private enterprise, they should bear the same burdens as private enterprise bears. Furthermore, we should not extend an exemption beyond that required by the Constitution.

Mr. MACGREGOR. Is it not a fact that in most of the cities the water departments are parts of the city governments?

Mr. HAWLEY. I could not answer that.

Mr. DENISON. This bill provides for a tax reduction of how much?

Mr. HAWLEY. Two hundred and twenty-two million four hundred and ninety-five thousand dollars.

Mr. DENISON. I would like to ask the gentleman if it is his judgment that in view of the legislation that has been passed by this Congress it will result from that legislation and other legislation which will probably be passed by the Congress before we adjourn that the Treasury will not be

able to stand that much reduction without leaving a deficit? What does the gentleman think about that?

Mr. HAWLEY. There will be no question about the year 1928 or the year 1929. The only question as to whether or not there will be sufficient revenue relates to the year 1930 and subsequent years. The present bill reduces the revenues for the fiscal year 1929 by only $145,000,000, for the income-tax reductions will be felt only during the last half of that year. Taking into consideration a normal increase in incomes and reductions in public-debt costs in 1930 and thereafter, I believe that the Treasury can stand this amount of reduction.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield there?

Mr. HAWLEY. Yes.

Mr. RAMSEYER. I am very much interested in the productiveness of this bill. In the last two or three revenue bills that have been passed my study has been directed largely to what they would yield. Now, when the bill was before the House in December the estimated surplus for the year 1929, as given by the Director of the Budget, was $252,000,000. We passed a bill through the House reducing taxes by $289,000,000, and the bill went through the Senate, and now the conferees report it to us with a tax reduction in the amount of $222,000,000. The first of this week I called at the office of the Director of the Budget. General Lord was not in, but I left word there at his office that I wanted his estimate of expenditures authorized by new legislation passed since last December. I hope I am not taking up too much of the gentleman's time.

Mr. HAWLEY. Well, I hope the gentleman will speed up his question.

Mr. RAMSEYER. I will be as brief as possible. This morning General Lord called me up and told me what the present estimates of expenditures for the fiscal year 1929 are; that is, including legislation authorizing additional appropriations that have been passed since this bill passed the House, and estimating the amounts involved in bills that are likely to become law, but not including Muscle Shoals, Boulder Dam, or the corn borer bill. General Lord told me that the Budget estimate of the surplus for next year—that is, the fiscal year 1929—is $142,000,000. That estimate is based on the existing tax laws. This bill reduces the Government income by $222,000,000, and, of course, if General Lord is correct, not including the three bills excluded from the estimate that will likely become law before the next fiscal year is over, you will have an estimated deficit in the Treasury for 1929 of $80,000,000. That is the difference between the surplus of $142,000,000 for next year and the tax reduction carried in this bill. I am just wondering how the conferees are figuring upon having enough money to run the Government next year, using these figures.

Mr. HAWLEY. I have answered that in the statement I have already made. I think there will be money sufficient.

Mr. RAMSEYER. I do not think the gentleman's answer was based on the latest estimates from General Lord. Those items of expenditures, caused by new legislation, were not included and before the House at the time the estimates were made last December. I know that heretofore the Treasury estimates of revenue have been underestimated, but Treasury officials assured the committee this year that they did not underestimate the probable receipts for next year.

Mr. HAWLEY. The actual reductions for 1929 are only $145,000,000. We did not make this bill retroactive, but moved the effective date forward a year.

Mr. RAMSEYER. I will ask the gentleman to answer this question, then: Will the reduction carried in this bill be $222,000,000 for the next fiscal year.

Mr. HAWLEY. No; because we will go for a year under existing law.

Mr. RAMSEYER. Beginning on the 1st of July what is the estimate of reduction for the next fiscal year?

Mr. HAWLEY. One hundred and forty-five million dollars.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CHINDBLOM. With reference to amendment 215, relating to installment sales, the gentleman said the conferees have substituted the words "an original return" for the words "a return or an amended return." That is the first time the words "an original return" are used in a tax bill. There is no such designation or such term now in the revenue act, and I would like to ask the gentleman whether it is intended that the words "original return" shall have any different meaning from what the word "return" now has in the present revenue law.

I have in mind particularly what is called a tentative return, and the Treasury Department and the Board of Tax Appeals have held that a tentative return is only in the nature of an application for an extension of time and that the complete return subsequently filed is the return under the law.

Mr. HAWLEY. That is correct. I must reserve the balance of my time, because I have promised to yield some time to other gentlemen.

Mr. CHINDBLOM. Is it the purpose to change the definition of a return or the meaning of the word "return" as it is in the law now?

Mr. HAWLEY. There is no definition of a return in the law. The word is there but it has never been defined.

Mr. CHINDBLOM. Oh, yes; it has a well-defined meaning.

Mr. FREAR. Will the gentleman yield for a short question?

Mr. HAWLEY. Yes.

Mr. FREAR. I understand the deduction for doctors attending conventions was taken from the bill by both the Senate and the House?

Mr. HAWLEY. Yes.

Mr. FREAR. Will the gentleman just explain the reason, so we may explain that to those who have sent word to us?

Mr. HAWLEY. The conferees on both sides, having examined the question, found that the deduction asked for would extend so far that we could not compute how much it would decrease the revenue or how it would operate, and we thought that for the present the existing law should stand as it is.

Furthermore, the time has come for us to give more careful attention to proposals to obtain deductions which are in fact not business expenses.

I think the following table will be of interest:

	Act of 1926	1928 bill (H. R. 1)			House bill	Senate bill	Conference agreement
		House	Senate	Conference			
	Rates				Loss in revenue		
Corporations:							
Income tax	13½ per cent	11½ per cent.	12½ per cent.	12 per cent.	$164,600,000	$82,300,000	$123,450,000
Credit, if net income $25,000 or less	$2,000	$3,000	$3,000	$3,000	12,000,000	12,000,000	12,000,000
If net income not more than $15,000 reduce tax on amounts of—							
Not more than $7,000 to		5 per cent.			24,000,000		
Over $7,000 to $12,000 to		7 per cent.					
Over $12,000 to $15,000 to		9 per cent.					
Individuals:							
Surtaxes between $20,000 and $80,000	Various	No change	Reduced	1926 rates		25,000,000	
Earned income, 25 per cent credit limited to	$20,000	do	$30,000	$30,000		4,500,000	4,500,000
Admissions and dues:							
Admissions tax (see "Prize fights," below) of 1 cent per 10 cents or fraction does not apply on amounts not in excess of.	75 cents	$1	$3	$3	8,000,000	17,000,000	17,000,000
Club-dues tax, annual	10 per cent	5 per cent.	10 per cent	10 per cent	5,000,000		
Does not apply if annual dues not in excess of	$10	$10	$25	$25		1,000,000	1,000,000
Excise taxes: Automobiles, sales by manufacturers	3 per cent	Repealed	Repealed	Repealed	66,000,000	66,000,000	66,000,000
Foreign-built boats:							
Annual tax per foot (see "Foreign-built boats," below) if over 5 net tons and between—							
32 and 50 feet long	$2	$10					
50 and 100 feet long	$4	$20	do	do		10,000	10,000
Over 100 feet long	$8	$40					

	Act of 1926	1928 bill (H. R. 1)			House bill	Senate bill	Conference agreement
		House	Senate	Conference			
	Rates				Loss in revenue		
Narcotics: Retail dealers, annual license tax	$6	$6	$3	$3		$150,000	$150,000
Stamp taxes:							
Capital stock, sales, or transfers, per $100	2 cents	1 cent	2 cents	2 cents	$8,800,000		
Produce, sales of, on exchange, per $100	1 cent	Repealed	1 cent	1 cent	3,000,000		
Cereal beverages: Containing less than one-half of 1 per cent of alcohol, per gallon.	0.1 cent	do	Repealed	Repealed	185,000	185,000	185,000
Wines: War-time rates (act of 1918)	Same as 1918 act.	Reduced	Reduced	Reduced	930,000	1,000,000	1,000,000
Total reductions					292,515,000	209,145,000	225,295,000
	Rates				Increase in revenue		
Withholding at source					$2,000,000	$2,000,000	$2,000,000
Prize fights: Tax of 25 per cent on admissions in excess of $5 per seat					750,000	750,000	750,000
Foreign-built boats:							
Increased tax on					30,000		
Customs revenue by reason of, definition						50,000	50,000
Total increases					2,780,000	2,800,000	2,800,000
Net reduction					289,735,000	206,345,000	222,495,000

Mr. FULBRIGHT. Will the gentleman yield for a question?

Mr. HAWLEY. I can not yield further. I have promised to yield some time to other gentlemen.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Texas [Mr. GARNER].

The SPEAKER. The gentleman from Texas is recognized for 30 minutes.

Mr. GARNER of Texas. Mr. Speaker and gentlemen of the House, let me say in the beginning, in answer to the question of the gentleman from Illinois, that the gentleman from Oregon did not answer it the way I think it should be answered, and that he did not state the purpose of our committee. We did not agree to that amendment. We did not want it in the bill. We did not believe it was just or right, but not being able to overcome the Senate we gutted it as far as we could. That is what we did. We simply took away from you every opportunity to take advantage of that amendment that we possibly could. That is all. We had just as well admit it, because that is what we did.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. CHINDBLOM. Of course, there is no occasion for the gentleman directing a personal reference to me.

Mr. GARNER of Texas. I did not mean a personal reference. I will take some friend over here, to whom I can make the reference.

Mr. CHINDBLOM. All I wanted to make certain by my inquiry was as to what was intended by the use of the words "an original return," which for the first time occur in a revenue act.

Mr. GARNER of Texas. We simply instructed the draftsman, when the Senate agreed to that amendment, to strike out those words and to make the section apply as narrowly as possible, and the Senate agreed to it. Let me tell you what that amendment did and then you will understand all about it.

Mr. TREADWAY. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. TREADWAY. Did it not come up in the conference that the reason for the word "original" going in was to draw attention to the fact that we did not want to allow an amended return?

Mr. GARNER of Texas. Yes. Let me tell you what that amendment does. You have all received telegrams from every furniture dealer in the country. When a big fellow gets caught he gets the little fellow to do his job for him. This would cost the Treasury about $8,000,000, and Sears, Roebuck & Co. would get $2,450,000, and Mr. Rosenwald probably would make another donation to charity or to Hoover's campaign fund, I do not know which. That is exactly what that amendment meant and what it does mean. We could not get the Senate to recede. So we got them to recede on everything except an original return, and then we tried to provide that no consideration should be given to any one of those returns except an original return.

Now, that is why the amendment was placed in there, as called attention to by the gentleman from Illinois [Mr. CHINDBLOM].

Now let me call your attention to another matter—and I particularly call the attention of the gentleman from Iowa [Mr. RAMSEYER] and the gentleman from Illinois [Mr. DENISON] to this. This bill reduces taxes—now, listen—this bill provides a permanent reduction of taxes of $225,500,000, in round numbers. It lacks about $15,000 of being $225,500,000. I have the Treasury Department estimates. These are not my estimates. These are the estimates of Mr. Parker, the expert of the joint committee, and while the actual tax reduction in rates is only $222,495,000, the statutory reduction, which the gentleman will get quite familiar with when he is on the Ways and Means Committee a little longer, by deductions and regulations amounts in this bill to $2,920,000. So I do not want the gentleman to be misinformed as to the total amount of reduction. However, for the fiscal year 1929 the tax reduction will only be $145,000,000. I want you to understand just what is the financial situation.

Mr. RAMSEYER. Will the gentleman yield?

Mr. GARNER of Texas. Certainly.

Mr. RAMSEYER. The gentleman heard my statement as to the probable surplus, which I got from General Lord this morning over the telephone, being for the fiscal year 1929, $142,000,000. If we have a tax reduction of $145,000,000 for next year, how much are we going to be in the red, not counting Muscle Shoals, Boulder Dam, or the corn borer bill?

Mr. GARNER of Texas. I do not think there is any doubt about this—and I think the House might just as well understand this one thing—this tax reduction bill we are agreeing to now, if we do agree to it, and I believe we will, is a greater tax reduction compared with the appropriations and authorizations than the bill we passed in the House.

I can demonstrate to any man living that this bill, in view of the legislation since we passed the tax bill in December, is a greater tax reduction bill in view of such appropriations and expenditures than what we voted for in the House. So any time that any one of the 93 Members on the Republican side voted against it, before he thinks he can get away with the idea it is nearer the amount that the President recommended, he is mistaken.

Mr. WILLIAMSON and Mr. JACOBSTEIN rose.

Mr. GARNER of Texas. I first yield to the gentleman from South Dakota.

Mr. WILLIAMSON. What I would like to ascertain is whether or not the bill will result in a deficit when we take into consideration Muscle Shoals——

Mr. GARNER of Texas. The gentleman need not ask me that, and I will tell him the reason. I have not had time since this conference committee has been in session, or even in the last two weeks, to ascertain the amount of authorizations and appropriations that will likely occur in 1930. I think the gentleman from Indiana [Mr. WOOD] and the gentleman from Tennessee [Mr. BYRNS] will have to give us those amounts. That is the only way I know to get them, unless we have a recapitulation by the Treasury Department.

Mr. JACOBSTEIN. Will the gentleman yield now?

Mr. GARNER of Texas. Certainly.

Mr. JACOBSTEIN. Was there not some rumor that the President would veto the bill that we passed, and now that the tax reduction is more——

Mr. GARNER of Texas. I do not think anybody seems to be able to speak for that gentleman with any degree of accuracy, and I certainly will not undertake it. [Laughter.]

Mr. CROWTHER. Will the gentleman yield to me?

Mr. GARNER of Texas. I yield to the gentleman, certainly.

Mr. CROWTHER. I would like to ask the gentleman how much has been saved to the Government by the striking out of the "27's" and putting in "28's." We really have no tax reduction under this bill for 1927.

Mr. GARNER of Texas. None whatever. We save by that $135,000,000, if you want to be perfectly accurate about it.

Now, gentlemen, let us take a survey of the situation for a moment, if we may, and see what is the position of the House of Representatives compared with the executive branch of the Government and their recommendations.

This is not a partisan bill except in so far as 93 Republicans in this House voted against the House bill, and that is all the record they have got. So far as this bill is concerned, it has no partisanship in it that the parties will be divided in adopting the conference report or that the conferees did not work, so far as the House is concerned, absolutely in unison as compared with the Senate conferees acting for the Senate. There was no partnership in the conference—or as little as I have ever seen in my life, and as little as you would have in a conference on an appropriation bill—and this is the result of six months' work, or the lack of six months' work, we might say, on the part of the Senate.

Now, what did the Executive do? The President of the United States, through his Secretary of the Treasury, urged upon Congress a reduction of taxes to the extent of $225,000,000. The Secretary of the Treasury in pursuance of that instruction recommended to Congress certain reductions, going to the extent of even suggesting the rates of the intermediate brackets to go into the law, something that no Secretary of the Treasury up to that time had ever had the audacity to do; that is, to write up the rates and hand them to the committee and say, "Here is what you should put in the law."

Now, what did he recommend? His principal recommendation at the start was that we reduce the individual taxes $50,000,000, commencing with people of $600,000 worth of property up to $600,000,000 worth of property; and giving $30,000,000 of reduction to those who had an income in excess of $70,000, and $20,000,000 between $70,000 income and $14,000 income. This is what was known as the intermediate brackets reduction to individuals.

The House of Representatives declined to consider it—in fact, the House of Representatives, so far as individual taxes are concerned, did not touch that schedule at all, but left it entirely alone under the present law.

The next tax the President recommended was a repeal of the estate tax, and you know what happened to that. You did not have the courage—if you believed in the repeal of it—to make a motion for its repeal, but when the contest came in the Senate they were whipped over there and there was nothing left of it for the conferees.

The Secretary of the Treasury went out of his way to insist on the retention of certain taxes, among which was the automobile tax. You remember the Secretary of the Treasury appeared before the Ways and Means Committee and urged that tax be retained. The House of Representatives struck it out. We cut it to 1½ per cent in the committee, and then we finished it in the House and didn't even have a roll call on it.

Now, I want you to compare the proposed law with what the President of the United States asked us to do through the Secretary of the Treasury and see, apparently, how little influence this great Secretary of the Treasury, the greatest since Alexander Hamilton, has upon the Congress of the United States. He seems to have a wonderful influence throughout the country, judging from the newspapers, but when it comes to economic matters, this wonderful man, the greatest Secretary since Hamilton, and whose statue sometime may be put on top of the Treasury by future generations who think the same as you do—does not seem to have any influence on you at all, for you repudiate him on every occasion.

Now, we had a consolidated-return provision in the bill when it went to the Senate, and I want to call your attention to that if I may. You remember I told you, when the bill went to the Senate, that there would not be any legislation if the House provisions were not changed to continue the present law, and along in December and January the Treasury Department through its propaganda agitated having no tax reduction—that they did not want any. But they said, "We will take a little time on it and put it off until the 15th of March and see how much revenues we have." The revenue estimated at that time on the 15th of March only differed $11,000,000 from what it was then. The same estimate made after March 15, 1928, as compared with the time before differed only $11,000,000. You put it off for the purpose of having plenty of time to defeat some of these provisions, and you did it. What did you do? You put in a provision in the Senate, a substitute for the consolidated return, and the law that is now going to be on the statute books is much better than it was before. Let me show you what they did—and I am mighty glad they did it. They struck out the class B affiliations and only left it for the big fellows, the mother corporations. The mother corporation is the only one that has anything left. Do you know what she has to do? Some of my friends have asked me to strike it out, and I said, "No; I am going to try and hold it in." It requires every corporation who wants to take advantage of this unfair arrangement—to make a general return as against the single return—to agree when he makes it not to go into court. In other words, if Mr. BACHARACH and his corporation consisting of a dozen—before he can take any advantage under this provision he must sign an agreement with the Secretary of the Treasury that he will do its bidding and will not go into court.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. GARNER of Texas. Certainly.

Mr. JACOBSTEIN. Does that agreement preclude going into the Court of Tax Appeals?

Mr. GARNER of Texas. Certainly.

Mr. JACOBSTEIN. Is the Court of Tax Appeals considered a court?

Mr. GARNER of Texas. That is my understanding of it. I see my expert, in whom I have a good deal of confidence, shake his head, indicating that that is not his interpretation of it. Perhaps I should be more specific. The taxpayer can not attack the regulations, any more than he could if they were written into the statute; but he can appeal, of course, if he does not think they are applied correctly to his case. When they asked me to strike it out, I said, "No; I will make it as onerous on these folks as I can—these people who want to take advantage of an unjust, indefensible provision in the law giving some corporations an advantage that others do not get." Do you know how many took advantage of that? Between 8,000 and 12,000 corporations. But I shall not go into that. I surrendered on that, because I thought I had to. I thought if I came back here that I would get licked. I had canvassed the situation pretty closely. If I had not thought that, I would have come back here with it. I believe in it intensely. I do not believe one corporation ought to have an advantage over another corporation, and if I ever have my way I am going to abolish it, and some of these days I hope to have my way. [Applause on the Democratic side.]

You ask me why I gave up on the graduated tax; and by the way, Mr. Speaker, I ask unanimous consent at this point to extend my remarks in the RECORD by inserting therein a statement prepared by Mr. McCoy. Nearly every gentleman in the House knows Mr. McCoy.

I do not think there is a more honest man in the District of Columbia than Mr. McCoy. He has a lot of sense, and he is the best estimator this country has ever had. Nobody is ever going to make him say what he does not believe, whether it is the Treasury Department that he is working for or anyone else. Whenever he tells me anything he pretty nearly has it sold to me. I asked him to prepare a statement for me touching the question of the graduated tax on corporations, and I shall insert it in the RECORD, but I want now to call your attention to two things in it which will interest you. Let us suppose that here are three men sitting on this bench, who are in business together in a partnership and that they make $15,000 a year. Here is another man who is in business by himself and he makes $15,000 a year. Over here is a corporation which makes $15,000 a year. Let us see how much taxes each one would pay under the present law. These three gentlemen will pay at the rate of three-tenths of 1 per cent on the $15,000. The one individual sitting over here who is in business for himself and makes $15,000 will pay at the rate of 1.75 per cent. This corporation over here, however, that made $15,000, will pay at the rate of 11.7 per cent. In other words, the corporation pays twenty-five times more in taxes than the partnership and five times more taxes than the individual. Do you believe that is right? Do you believe that is a good system of taxation, where three men in business together as partners make $15,000 and pay at the rate of three-tenths of 1 per cent, while three other men who are in business together in the form of a corporation pay at the rate of 11.7 per cent, and one individual himself, in competition with a partnership and the corporation, pays at the rate of 1.75 per cent? That is not fair. It can not stay that way long. When the people become informed about it they will ask you to change it, and you will be compelled to do it in some

way, and I know of no better way than by this graduated tax.

Our committee considered the partnership as suggested by the Treasury Department, but we found that it did not work. You have to work out some formula and I do not know of any better formula than the graduated tax. I shall insert this statement in the RECORD at this point so that if any gentleman in the future desires to look at it he may do so:

GRADUATED CORPORATION TAX

The income tax upon an individual with net income of $15,000 at present averages about 1.75 per cent, or about $262.50. (See statistics of income for 1925, p. 89.) A partnership of three equal partners, with no other income, having a net income of $15,000 will pay income tax amounting to about three-tenths of 1 per cent, or $45. A corporation with a net income of $15,000 will now pay an income tax of $1,755, or 11.7 per cent; that is, a net income depending upon the way it is taxed now pays tax averages as follows:

	Tax	Rate of tax
		Per cent
Partnership	$45.00	0.30
Individual	262.50	1.75
Corporation	1,755.00	11.70

Together with the tax on dividends.

Under the Senate provisions of the 1928 bill the corporation would pay income tax amounting to $1,500, or 10 per cent.

Under the House provision the corporation would pay $1,080, or 7.2 per cent.

In either case additional surtax on any dividends would be imposed. This means that fully 75 per cent of all taxable corporations are paying, as compared with individuals and partnerships, entirely too much tax.

The provision graduating the tax on corporations with net incomes not in excess of $15,000 would apply to about 95,000 corporations out of the 144,000 that were taxable in 1926, or about 66 per cent of the total.

It is not generally recognized that the smaller corporations pay tax at enormous rates as compared with individuals and partnerships with the same incomes. This is exactly the opposite to the rates paid by the largest corporations, who pay now at a rate of 13½ per cent as compared with an individual rate of about 16¾ per cent.

Let me now call your attention to one or two things that the Senate did which I think were entirely out of line with what good conscience and good public policy would call for. You have had a good many letters and telegrams about section 611. There are not many of you who know anything about what section 611 means. Section 611 was placed in the tax bill—and I am going to wait for some Republican now to correct me if I am wrong—because of the inefficiency of the Treasury Department, because of their mistakes made in administering the law, and those mistakes, if it were not for section 611, would cost the Treasury of the United States $100,000,000. Does any gentleman deny that? Gentlemen here on the floor of the House will give you information that is absolutely correct. What happened? We put it in in the House. It meant $30,000,000 refund of taxes and $70,000,000 to be collected in the future from taxpayers. That was the basis of the $100,000,000 loss. When we got into conference we could not get the Senate to recede. We finally tied up on two questions—the furniture outfit and 611. I believe in telling how we do these things. We tied up on them. We wanted the Senate to recede from both, but they did not want to recede because some particularly selfish people were going to get the money. We do not believe in that, but the Senate does. The result is that we compromised. We made it "original," and then we struck out subsection (b) of section 611, cutting out the $70,000,000 prospectively we were going to get, because there was some doubt about the constitutionality of it, and decided to keep the $30,000,000 that we had in the Treasury. That was the compromise between those two amendments, one of them cutting down and the other giving up the prospect of securing $70,000,000 in the future.

Mr. BACHARACH. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BACHARACH. I know the gentleman wants to be absolutely accurate. The $70,000,000 would not go into the Treasury, according to the experts. They claim the bond was for double the amount, and that there was but $35,000,000 involved, and the direct amount involved according to one of our experts instead of being $30,000,000 was $16,000,000 or $17,000,000.

Mr. GARNER of Texas. Yes; but when they were discussing this over in the Ways and Means Committee it was always $30,000,000, and I would rather take the first testimony than the last. When Paul gets converted on the way from here over there, I look upon his second statement with some suspicion. I will accept the $35,000,000 loss, as we are going to lose it anyway. And let me remind the gentleman from New Jersey that this section does not interfere in the slightest with collections in those cases where bonds were filed. The surety company must pay even though the statute has run against the taxpayer.

Let me tell you what the Senate did as the bill passed the Senate. The bill as it passed the Senate, in addition to what the purported reduction of taxes would be, amounted to a net decrease for the year 1929 of $47,220,000.

Now, remember, in addition to $205,000,000 or $206,000,000, or $205,000,000 plus, the Senate added by a statutory provision such as I called your attention to, $70,000,000, leaving a decrease of taxes of $47,000,000 over $39,000,000 and $2,920,000 for all subsequent years. And remember, now, this $2,920,000 is a tax reduction for all subsequent years. If you want me to, I will give you the amendments that do the job. The amendments that the House agreed to, that do that in this bill, are amendments numbered 29, 30, 32, 61, 78, 91, 159, and 161. This will go into the RECORD, and by consulting the RECORD you can see for yourselves just exactly in what language they were:

Statutory changes

DECREASES

Amendment No.	1929	1930	Subsequent
26	$1,500,000	$1,500,000	$1,500,000
29	75,000	75,000	75,000
30 and 32	450,000	450,000	450,000
33	100,000		
36	1,000,000	1,000,000	1,000,000
61	50,000	50,000	50,000
64	25,000	25,000	25,000
78	1,500,000	1,500,000	1,000,000
81	400,000	400,000	400,000
82	125,000	125,000	125,000
91	10,000,000	5,000,000	2,500,000
148	2,500,000		
157	5,000,000	2,500,000	
159	40,000	40,000	40,000
161	5,000	5,000	5,000
169 to 174	1,000,000	500,000	
175 and 176	5,000,000	3,000,000	
190	20,000,000	17,500,000	
214	1,500,000	1,000,000	
215	1,500,000	1,000,000	
Total decrease	51,770,000	35,670,000	7,170,000

INCREASES

34	$750,000	$750,000	$750,000
115 and 116	3,500,000	3,500,000	3,500,000
Total increase	4,250,000	4,250,000	4,250,000
Net decrease	47,520,000	31,420,000	2,920,000

Now, you have some provisions in this bill that I do not know about. I am not sufficiently an expert to tell just what the workings of business will bring about with respect to them. There is what is known as the pension-fund trust. You are going to permit all big business to set up a pension-fund trust, concerns like the International Harvester Trust and the General Electric Co. The question arises as to who is getting the most of the benefits.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield there?

Mr. GARNER of Texas. Yes.

Mr. TREADWAY. Does not the gentleman mean that the employees of these companies are getting the benefits? It is more for the benefit of the employees than anybody else.

Mr. GARNER of Texas. Yes. The point is, the company wants to get a deduction, and in the way the Senate has fixed it the International Harvester Co. will get a total deduction of all that fund that has accumulated for 20 years, spread over, as I understand, the number of years that the pension fund has been accumulating.

Mr. BACHARACH. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BACHARACH. I know the gentleman wants to be correct in this statement. The way it stands to-day, the corporations could get this money back into its own clutches to do what it pleases. If we pass this bill, the money will go into the employees' trust, which is beyond the control of the employer.

Mr. GARNER of Texas. The expert of the Treasury Department, in whom I have the utmost confidence, has prepared this, believing it makes a good place in the law and will be better

for the Treasury than the present law. Therefore we agreed to it.

But it only shows one thing, that all taxpayers are continually trying to get in under cover of an advantage, and when we try to take away the advantage from them they cry like a child and say, "It is a vested right."

The gentleman from Maryland [Mr. LINTHICUM], sitting in front of me, spoke to me about that this morning. They had over in the Senate what is known as the Reed amendment. I have had several hundred telegrams about that, mostly from insurance agents, I should think. They probably got telegrams from the insurance lobby here and naturally wired us.

What was the Reed amendment? It provided that all joint-stock companies engaged in the insurance business of whatever kind——

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. GARNER of Texas. We have plenty of time to-day. What are you going to do this afternoon? [Laughter.]

Mr. HAWLEY. I have three minutes left. I will give the gentleman that.

Mr. GARNER of Texas. I ask unanimous consent, Mr. Speaker, to speak for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GARNER of Texas. I want to speak about the Reed amendment, offered by Mr. REED of Pennsylvania. Some of the Members here may want to ask me questions about that amendment. Many of these mutual insurance companies are now exempt from taxes under the law. The joint-stock companies are not exempt. Is that correct? It is the joint-stock companies that this amendment applies to.

Now, suppose one of you gentlemen has got a million dollars, and you are going into the banking business, and you, over there, have got a million, and you are going into the manufacturing business, and I have got a million dollars and I put mine into an insurance company, a joint-stock company, to buy and sell securities.

In the course of trade we buy United States Steel and General Motors, put it in our treasury, and before the year is over we sell it, and thereby make money. You over there have to pay on your profits, and you have to pay on yours over there, but I do not have to pay on mine, and now, because I have to pay on mine, why, it is an awful thing! I say, "I have had this privilege all this time, and now you are going to take it away from me."

Mr. LINTHICUM. They are assessments, and under the laws of the State they are set aside for the security of the bond.

Mr. GARNER of Texas. Oh, certainly. The mutual companies are subject to it. Do you want an advantage for the mutuals?

Mr. LINTHICUM. Mutual companies do not figure largely in these matters.

Mr. TREADWAY. The Reed amendment puts joint-stock insurance companies on a parity with mutual insurance companies?

Mr. GARNER of Texas. Yes; so that they all stand on the same bottom.

Mr. LINTHICUM. I do not think the gentleman realizes the fact that these are investment companies and those funds are largely set aside under the laws of the various States for the security of their bonds.

Mr. GARNER of Texas. That is all right. If you do not make any money out of that investment and set it aside, you are not going to pay any taxes, but if you make money you ought to pay taxes like everybody else. Do not tell me that men join together and form an insurance corporation for any other purpose than to make money, and when they make money they ought to pay taxes like everybody else. [Applause.]

Mr. FORT. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. FORT. I quite agree with the gentleman, from some knowledge of the question, that the insurance companies should pay on their losses and profits, the same as anyone else, but I do not quite agree with the gentleman that mutual companies under this bill do so pay.

Mr. GARNER of Texas. I agree with the gentleman; but wait a minute——

Mr. FORT (interposing). I just want to ask the gentleman one question. In the drafting of any subsequent tax bill the gentleman will be prepared to consider putting mutual companies on an absolute parity with stock companies in this respect?

Mr. GARNER of Texas. I surely will, sir. I think they ought to be on the same parity, and I will say this: That so far as some other provisions of the law are concerned, mutual companies do get some advantages which stock companies do not get.

Mr. FORT. As long as that is going to be cured the next time it is all right.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. WAINWRIGHT. Has the gentleman informed the House about how much in revenue this Reed amendment will produce? It is a large amount.

Mr. GARNER of Texas. No; but I know it is hard to estimate.

Mr. WAINWRIGHT. It runs into many millions of dollars.

Mr. GARNER of Texas. Well, the Treasury Department declined to make an estimate because it is so uncertain, and unless they have some kind of a measuring stick they decline to give us an estimate.

Mr. WAINWRIGHT. My recollection is that Senator REED said on the floor of the Senate that it would amount to $30,000,000 or $40,000,000.

Mr. GARNER of Texas. Oh, no. That was his original amendment. Gentlemen, we did another thing that all of you will be delighted with that I do not think my colleague called your attention to. We backed up on section 115, so you can write to all of your lumber people and all of your mining people and tell them we backed up, and over the next 50 years they will probably get an advantage of $35,000,000 in their business as compared with other businesses. We figured that was the best we could do on account of the pressure that has been brought to bear, the Senate having passed the amendment and all of you having been importuned about it. So we did the best we could, and in the first place I think we put it in for the purpose of a trade anyway, and we got along pretty well with that amendment.

I want to say this in concluding, that I never served on a conference that was more agreeable than this one. I want to commend the gentleman from Oregon [Mr. HAWLEY] for his fairness as well as the fairness of other members of the conference. We got together before we went over to the Senate and tried to iron out our differences, and we did that to a remarkable extent. I gave up everything to the extent of about 90 per cent, while HAWLEY, TREADWAY, and the other conferees gave up about 10 per cent, so we got along as well as you could possibly imagine.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. FULBRIGHT. I would like to ask the gentleman if the deductible item in this bill with reference to the taxes levied by some districts for reclamation purposes is in the bill?

Mr. GARNER of Texas. Yes; we agreed to the Senate amendment, and those taxes are deductible. If there are no other questions I want to thank the House for its patience. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, a conference report is always the result of compromise. While, of course, I did not sit in this conference, I have studied the conference report quite carefully, and I want to congratulate the House conferees upon the result of their work. There are details in every situation of this kind which will not be satisfactory to any of us, but the House conferees brought back a bill which conforms more nearly to the views of the House Committee on Ways and Means and of the House itself than did the bill which was sent to conference.

I want to add just one word in respect to what my good friend from Texas [Mr. GARNER] said with reference to the tax reductions in this bill. He said the administration has been overruled in its recommendations. I do not think the administration will find much fault with this bill—and I have no reason whatever to say that except upon my own opinion—but the administration achieved its principal purpose; it kept down the reduction to a reasonable amount and within the resources of the Government, so that there is, I think we may all feel sure, no real danger of any deficit occurring hereafter. [Applause.]

The gentleman from Texas and his party associates, both in this body and in another body, started out to get a bill providing for tax reductions of $400,000,000. We have here a total tax reduction in schedules and rates amounting to $222,450,000, and the Treasury originally recommended a reduction of $225,000,000, so that we have even cut that amount $2,500,000.

Mr. Speaker, I shall later avail myself of the leave to extend my remarks upon the general subject of tax reduction and the financial operations of the Government during recent years.

Mr. HAWLEY. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. HAWLEY, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

WORLD WAR ADJUSTED COMPENSATION

Mr. HAWLEY. Mr. Speaker, by direction of the Committee on Ways and Means I call up the bill (H. R. 10487) to amend the World War adjusted compensation act as amended, with Senate amendments, and move to concur in the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments were read.

The Senate amendments were agreed to.

POSTAL RATES

Mr. GRIEST. Mr. Speaker, I call up the conference report on the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER pro tempore (Mr. SNELL). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12030) to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, and 7, with amendments as follows:

Page 3, line 12, strike out "1¾" and insert "1½."

Page 3, line 13, strike out "2½" and insert "2."

Page 3, line 14, strike out "4" and insert "3."

Page 3, line 15, strike out "4¾" and insert "4."

Page 3, line 16, strike out "5½" and insert "5."

Page 3, line 17, strike out "7" and insert "6."

Page 3, line 21, strike out "7¾" and insert "7."

And the House agrees to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8 with amendments so as to make the amendment read as follows:

"That section 202, Title II, act of February 28, 1925, is amended by the addition of a paragraph 4 to read as follows:

"'(4) *Provided*, That in the case of publications entered as second-class matter where the number of individual addressed copies or packages to the pound is more than 32 and not in excess of 48, the rates of postage thereon shall be double the rates prescribed in paragraphs (1), (2), and (3-a) of the act of February 28, 1925; where the number of individual addressed copies or packages to the pound is more than 48 and not exceeding 64, the rates of postage shall be three times the regular rates, and for each additional 16 individually addressed copies or packages or fractional part of such number of copies or packages there may be to the pound the rates of postage shall be correspondingly increased over the regular rates.'"

And the Senate agree to the same.

That the Senate recede from its amendments numbered 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 21, 22, and 23.

That the House recede from its disagreement to the amendment of the Senate numbered 24 with amendments so as to make the amendment read as follows:

"SEC. 9. The Postmaster General is authorized to appoint a director of parcels post."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 25.

W. W. GRIEST,
C. W. RAMSEYER,
THOS. M. BELL,
Managers on the part of the House.

GEO. H. MOSES,
L. C. PHIPPS,
KENNETH MCKELLAR,
Managers on the part of the Senate.

STATEMENT

The House bill as agreed upon by the conferees remains substantially intact, except in second-class matter, where the House conferees agreed that the so-called 1921 rates in the House bill should be amended so as to fix rates midway between the 1921 rates of the House bill and the 1920 rates of the Senate bill. This compromise effects a reduction in second-class rates officially estimated at about $2,700,000.

The bill as it now stands, therefore, effects a reduction in postal revenues of about $16,285,000, or $2,700,000 more than the original House bill. As it passed the House the bill effected a reduction in postal revenues of $13,585,000; as it passed the Senate, a reduction in postal revenues of $38,550,000.

The bill includes provisions as follows:

To restore the 1-cent postage rate on post cards.

To provide for accepting business reply cards and letters in business reply envelopes for transmission in the mails without prepayment of postage.

To provide for collecting 1 cent additional an ounce on first-class matter when mailed with postage deficient more than one rate.

To reduce the postage on advertising portions of second-class matter.

To reduce the postage on magazines and newspapers when sent by others than the publisher or news agent.

To effect a minimum charge per piece on second-class matter when there are more than 32 pieces to the pound.

To provide for bulk pound rates on third-class matter.

To reduce the postage on fourth-class matter.

To provide for a special rate of postage on library books.

To provide for special handling and special delivery, combined, at reduced rates. This service is extended to all classes of mail.

To authorize the appointment of a director of parcel post by the Postmaster General.

RECAPITULATION

	Net increase in revenue	Net decrease in revenue
Sec. 1. Post cards, reduction in rate from 2 cents to 1 cent each		$1,200,000
Sec. 2. Business reply cards and envelopes, collect on delivery	$4,000,000	
Sec. 3. Deficient postage, penalty for	75,000	
Sec. 4. Second-class matter, between 1920 and 1921 rates		6,600,000
Sec. 4. Minimum charge per piece on second class		100,000
Sec. 5. Second-class matter, transient rates reduced		10,500,000
Sec. 6. Third-class matter, bulk pound rates		2,200,000
Sec. 7. Fourth-class matter, reduction in rates to distant zones		600,000
Sec. 8. Special delivery combined with special handling	800,000	
Special handling exclusively		21,200,000
Total	4,875,000	

W. W. GRIEST,
C. W. RAMSEYER,
THOS. M. BELL,
Managers on the part of the House.

Mr. GRIEST. Mr. Speaker, the conferees have reached an agreement that must be gratifying to the House which originally passed the bill H. R. 12030 unanimously. Of the 10 provisions in the House bill, 8 of them come out of conference intact, just as the House agreed to them.

Mr. GARNER of Texas. Has the gentleman from Pennsylvania observed what the President has said concerning this bill in the veto of another bill?

Mr. GRIEST. If the gentleman will permit, let me first make my statement and then I will yield to the gentleman.

Of the two provisions in the House bill that have been changed, one is with regard to second-class rates on newspapers and periodicals and the other is with regard to library books. The rate on library books as passed by the House was reduced slightly by unanimous consent of the conferees after the Senate had amended the bill accordingly. On second-class rates, you will recall that the House contended for the 1921 rates and the Senate for the so-called 1920 rates. A compromise was effected by agreeing on a new rate midway between the 1920 rates and the 1921 rates, effecting a further reduction of the revenues officially estimated at $2,700,000, but thought by many, by reason of the new business which will probably come along, to mean a reduction of not more than $1,000,000 over the provision of the House bill.

The other two amendments by the Senate that were important were the amendments on fourth-class rates and on third-

class rates, and on these the Senate conferees receded, so that the only important amendment in the bill is with respect to second-class rates, as previously stated.

The bill as it passed the House originally called for a reduction in rates of about $13,000,000. As it passed the Senate it called for a reduction in rates of about $38,000,000. As it comes out of conference it calls for a reduction of rates of perhaps $16,000,000—not more than that—and if new business comes in from the reduction of these rates the loss in revenue will not be nearly so great.

I now yield to the gentleman from Texas for a question.

Mr. GARNER of Texas. I wanted to ask the gentleman if he had in mind or had noticed what the President said of this proposed legislation in a veto message on another bill that came here?

Mr. GRIEST. The gentleman means the vetoed postal bills?

Mr. GARNER of Texas. Yes; the President refers to this proposed legislation and intimates that this is a reduction that is a little too heavy on the Post Office Department, and that in view of the proposed expenditures under the two bills he vetoed he would be compelled to return this bill to the House of Representatives.

Mr. GRIEST. My understanding is that the President favored the bill as it originally passed the House; that he was opposed to the bill as it passed the Senate; and the conference report gives us a bill so nearly like the House bill that we are very hopeful he will approve the bill.

Mr. KINCHELOE. Will the gentleman yield?

Mr. GRIEST. Yes.

Mr. KINCHELOE. Was the agreement that the conferees arrived at the Moses amendment?

Mr. GRIEST. Yes.

Mr. KINCHELOE. Did it provide that the 1920 rates should apply to and include the fourth zone?

Mr. GRIEST. It applies to all the zones, but there are different rates on each zone.

Mr. KINCHELOE. I understood that the Moses amendment provided for the 1920 rates up to and including the fourth zone, and for the other zones the 1921 rates applied.

Mr. GRIEST. That is correct.

Mr. KINCHELOE. And that is what the conferees agreed on?

Mr. GRIEST. Yes. The amount of reduction is about split in half between the 1920 rates and the 1921 rates. It was a 50-50 compromise.

Mr. KINCHELOE. I understand that; but the conferees did agree to the Moses amendment?

Mr. GRIEST. Certainly; I have so stated.

Mr. GREEN. Will the gentleman yield?

Mr. GRIEST. Certainly.

Mr. GREEN. The conference report does not carry any higher rates to the people than the measure we passed?

Mr. GRIEST. Oh, no; they are lower on second-class and library books and the same elsewhere, but lower everywhere than under existing law.

Mr. DAVIS. Will the gentleman yield?

Mr. GRIEST. Yes.

Mr. DAVIS. What is the estimate of the Post Office Department as to the loss that would be sustained to the Post Office Department under this bill?

Mr. GRIEST. I have stated that, but I will be pleased to restate it. The estimate of the Post Office Department on the loss under the bill as it now stands is $16,000,000 or thereabouts, and the department approves the measure.

Mr. DAVIS. Is it that much more than the present loss or that much in the aggregate?

Mr. GRIEST. It is that much more than under the existing law.

Mr. DAVIS. And how much is there under existing law with respect to the loss on second-class matter?

Mr. GRIEST. There is a great variety of opinion about that. The cost ascertainment issued by the Post Office Department made that loss over $84,000,000.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. GRIEST, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE APPLICATION OF THE REVENUE LAWS TO HAWAII

Mr. HOUSTON of Hawaii. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 1, the revenue bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HOUSTON of Hawaii. Mr. Speaker, in connection with H. R. 1 may I not invite attention to the fact that by the adoption of the conference report the Territories of Alaska and Hawaii will continue to labor under what we consider inequitable and inconsistent application of the tax laws? Our officers and employees will have to pay Federal income tax on the salaries received from the Territories and their political subsidiaries. All State officers and employees are exempt from such taxation by decision of the United States Supreme Court. The House remedied this in this bill to exempt school-teachers; the Senate committee tried to cure the situation, but the amendment was so loaded on the floor of the Senate that the conferees struck out the Senate amendment. And now, Mr. Speaker, I want to express here my sincere appreciation for the wide and generous sympathy that has been accorded to the Territory of Hawaii in our efforts at obtaining legislation that will put us on a parity with the other parts of these United States, to which we are proud to be bound by ties which we have always felt made us part and parcel of the Union.

For 30 years Hawaii has been in the legal status of full and complete political union with and incorporated into the United States as an integral part thereof.

Many people since our union, even down to the present day, fail to realize just what Hawaii is, where we are, what language we speak, and, above all, do they fail to realize that what is good for the States must be good for the Territory of Hawaii.

This misunderstanding of our status had, in 1923, become so marked, involving as it did the provision of various and sundry financial aids for the States and extending back for a period of seven years at least, that the legislature of the Territory viewed the continuance of this misunderstanding with so much concern that it passed a resolution on the subject, copy of which I will ask to have here inserted in the RECORD:

BILL OF RIGHTS

An act to define and declare the claims of the Territory of Hawaii concerning its status in the American Union, and to provide for the appointment of a commission to secure more complete recognition of such claims by the Federal Government

(L. 1923, c. 86, approved April 26, 1923)

Whereas for a quarter of a century Hawaii has occupied the legal status of full and complete political union with and incorporation into the United States as an integral part thereof, and for half a century prior thereto negotiations and dealings between the two countries looked to such status as the basis for annexation, when effected; and

Whereas a misunderstanding appears to exist in the Congress and in some of the executive departments of the Federal Government as to the status of Hawaii in the American Union, and its rights therein, which misunderstanding has at times resulted in the classification or treatment of Hawaii by the Congress and some of the said executive departments as if it were an "insular possession," in a manner derogatory to the dignity of this Territory; and

Whereas such misunderstanding has led to the exclusion of Hawaii from participating in certain appropriations made to all the States, for education, good roads, farm loans, and for other purposes, which exclusion is inconsistent with the rights, and to the material loss of this Territory; and

Whereas the Legislature of the Territory of Hawaii views with concern the continuance of said misunderstanding, fearing that it may settle into a permanent discrimination against the Territory of Hawaii; and

Whereas it is in the interest of all concerned that such misunderstanding be removed and the status of Hawaii in the Union definitely and authoritatively established: Therefore

Be it enacted by the Legislature of the Territory of Hawaii:

SECTION 1. Hawaii's claims concerning its status in the American Union: That the Legislature of the Territory of Hawaii hereby makes formal assertion and declaration of the claims of said Territory concerning its status in the American Union, as follows:

1. That the Territory of Hawaii is an "integral part of the United States."

2. That as such "integral part," Hawaii can not legally, equitably, or morally, be discriminated against in respect of legislation applying to the Union as a whole.

3. That Hawaii is a unit within the American scheme of government, with rights and powers differing from those of the States, in so far as certain features of a Territorial government differ from those of a State; but Hawaii carries all the financial responsibilities and burdens of a State, so far as the Federal Government is concerned, and functions practically as a State in nearly every other respect. It should, therefore, be accorded all of the benefits and privileges enjoyed by States, in respect of matters wherein its functions and responsibilities are the same as those of a State.

REASON FOR THIS DECLARATION

This declaration, and its method of promulgation, are extraordinary—unique in the history of legislation.

The reason for this procedure is that an extraordinary and critical situation faces Hawaii—one unique in history.

This extraordinary and critical condition arises out of the following facts:

HAWAII ANNEXED BY AGREEMENT WITH A SOVEREIGN NATION AND NOT BY PURCHASE OR CONQUEST

1. Of all the many acquisitions of territory by the United States, with the exception of Texas, which came into the Union as a State, by exactly the same procedure as did these islands, Hawaii alone became a part of the Union by voluntary agreement as an independent nation, having sovereign powers coequal with those of the United States.

All other annexations of territory were by purchase or conquest, by virtue of which such territories, respectively, became the property or "possessions" of the United States, subject to be dealt with as "property," with no limitation upon their treatment by the Federal Government save that of humanity.

HAWAII POSSESSED OF INALIENABLE RIGHTS TO MAINTENANCE OF WHICH GOOD FAITH OF UNITED STATES IS PLEDGED

2. That under said circumstances and the terms of the agreement of annexation, Hawaii is in no sense the "property" or a "possession" of the United States, but became incorporated into and is an "integral part" of the Union, and thereby acquired certain inalienable rights, contractual, equitable, and moral, to the maintenance of which the good faith of the United States is pledged.

HAWAII'S RIGHTS DENIED OR IGNORED

That, notwithstanding the foregoing facts, although Hawaii has been held by the Congress and the Executive to the observance and fulfillment of all the responsibilities and burdens incident to its status as an "integral part of the United States," being the same as those imposed upon the several States, the rights of Hawaii, as aforesaid, have, in a growing degree and an increasing number of instances been denied or ignored by the Congress and some of the Executive Departments of the Federal Government, to her serious injury and loss.

That examples of such denial or ignoring have been the enactment of laws by the Congress extending financial aid to all of the States for education, good roads, farm loans, maternity, and for other purposes, from the benefit of which Hawaii has been excluded, either directly or by the wording of such acts.

That in addition to the specific exclusion of Hawaii from participation in said appropriation bills, it has become a practice to classify Hawaii as one of the "insular possessions" of the United States, and to officially refer to and treat her as though she were such.

DANGER OF ESTABLISHMENT OF A PRECEDENT

That in view of said policy of excluding Hawaii from said benefits as aforesaid and said classification, there is danger that Hawaii may be held guilty of "laches," and as having, by acquiescence, waived her rights.

DECLARATION ON PART OF THE TERRITORY OF HAWAII

This declaration is therefore made in order to assert and place on record the claims of the Territory of Hawaii to its status in the Union and to its rights under and arising out of the facts herein set forth, in the strongest and most formal method possible, viz: By an act passed by its legislature and approved by its governor.

DIFFERENCES BETWEEN THE STATUS OF HAWAII AND THE STATUS OF THE SEVERAL STATES

That this legislature conceives and understands that the principal and material differences between the status of Hawaii and the status of the several States are as follows

(1) That certain officers of the Territory are appointed by the President;

(2) That the Territory of Hawaii does not vote for President or Vice President;

(3) That the Territory of Hawaii is represented in Congress by a nonvoting Delegate instead of by Senators and Representatives;

(4) That the Territory of Hawaii operates under a constitution (the organic act) enacted by Congress;

(5) That the enactments of its legislature are subject to be repealed or amended by the Congress. (In the 23 years since the organization of the Territory of Hawaii, this power has never been exercised by Congress.)

Otherwise than as hereinabove last enumerated, it is hereby claimed that the status of the Territory of Hawaii is coequal with that of the several States.

The Territory of Hawaii therefore claims that it is, and of right ought to be, entitled to participate in the benefits of general legislation, particularly financial legislation and appropriations extended to or made for all the States.

SEC. 2. BASIS OF CLAIM.—The claims of Hawaii, herein set forth, are based upon the following:

(a) The history of the annexation of Hawaii; the negotiations and procedure in connection therewith; the declarations of American officials conducting such negotiations made during the progress of the same, constituting a part of the res gestæ, and tending to show the intent of the parties.

(b) The treaties and legislation effectuating the annexation of Hawaii.

(c) The interpretation of and construction placed on the treaty of annexation and legislation supplemental thereto, relating to the status and rights of Hawaii as a part of the Union, made by American executive officers in pursuance of their official duties.

(d) The acts of Congress organizing Hawaii into a Territory of the United States and subsequent legislation defining the rights and status of Hawaii in the Union.

(e) The decision of the Supreme Court of the United States relating to the status of Hawaii in the Union.

STATEMENT OF FACTS TENDING TO SUBSTANTIATE HAWAII'S CLAIMS

The following is an enumeration of the principal facts tending to substantiate the claims of the Territory of Hawaii herein set forth:

I

ANNEXATION TREATY OF 1854

The annexation of Hawaii was first formally considered between the Governments of Hawaii and of the United States in 1853–54.

At that time President Pierce, of the United States, instructed Secretary of State Marcy to commission D. L. Gregg to represent the United States in Hawaii to negotiate with Kamehameha III, King of Hawaii, for the annexation of Hawaii to the United States.

The treaty was negotiated upon the basis of Hawaii coming into the Union as a State, "enjoying the same degree of sovereignty as other States, and admitted as such to all the rights, privileges, and immunities of a State, on a perfect equality with other States of the Union."

II

STATEMENT OF UNITED STATES COMMISSIONER GREGG

Commissioner Gregg reported to the United States State Department that the Hawaiians would agree to annexation on no other basis than that of full statehood.

He said also:

"The Hawaiian authorities are especially desirous of cultivating friendly relations with the United States, and look forward to the time when their country may constitute an integral portion of the great North American Republic."

This is the first time in the history of the annexation of Hawaii that the phrase concerning Hawaii becoming "an integral portion" (or part) of the United States was used.

The treaty was approved by the King and was completed, so far as Hawaii was concerned, awaiting only the King's signature, when his sudden death terminated further consideration of the subject for the time being.

Especial attention is hereby invited to the fact that from this time forward, at every stage and in nearly every official document bearing upon the subject of the annexation of Hawaii, the corner stone of the Hawaiian position has been that Hawaii should be annexed "as an integral part of the United States," or words to that effect. There is no deviation from this position.

III

STATEMENT OF SECRETARY OF STATE MARCY

In a dispatch to Commissioner Gregg, in connection with the proposed treaty of 1854, Secretary Marcy said:

"It will be the object of the United States, if clothed with the sovereignty of that country [Hawaii], to promote its growth and prosperity. This consideration alone ought to be sufficient assurance to the people that their rights and interests will be duly respected and cherished by this Government."

(This is the first of a series of official references to and pledges of the good faith of the United States to "respect and cherish the rights and interests" of the people of Hawaii. See statements hereunder of Secretary of State Foster, President McKinley, and President Dole.)

IV

DECLARATION CONCERNING ANNEXATION IN THE CONSTITUTION OF THE PROVISIONAL GOVERNMENT OF HAWAII

Upon the overthrow of the Hawaiian monarchy, January 17, 1893, the principles of the new government were embodied in a proclamation, which constituted the constitution of the new government.

This proclamation announced the abrogation of the monarchy and the establishment of the provisional government * * * "to exist until terms of union with the United States of America have been negotiated and agreed upon."

V

INSTRUCTIONS OF PRESIDENT DOLE TO ANNEXATION COMMISSIONERS

President Sanford B. Dole, of the provisional government of Hawaii, following the overthrow of the monarchy, January, 1893, dispatched commissioners to Washington with instructions to negotiate a treaty with the United States Government, "by the terms of which full and

complete political union may be secured between the United States and the Hawaiian Islands."

VI

STATEMENT OF JOHN W. FOSTER, SECRETARY OF STATE UNDER PRESIDENT HARRISON

Upon arrival of the commissioners at Washington, President Harrison approved of the principle of annexation and designated Secretary of State John W. Foster to act on behalf of the United States in negotiating a treaty.

The Hawaiian commissioners asked for admission to the Union as a State.

Mr. Foster replied that the precise form of government would involve many details which would take much time to work out; that "bringing Hawaii into the Union" was the main object in view; that he was not adverse to statehood; but a treaty providing therefor would occasion debate and delay; that by asking for annexation Hawaii had demonstrated its confidence in the United States, and could be assured that if annexed, that confidence would be justified.

Mr. Foster thereupon proposed that the treaty should provide for the annexation of Hawaii as a Territory of the United States.

This proposition was accepted by the Hawaiian commissioners, who thereupon made formal written request for "Full and complete political union" of Hawaii with the United States "as a Territory of the United States."

Upon proceeding to draft the treaty, Secretary Foster suggested omission of the provision concerning Territorial government, on the ground that the details involved therein might cause delay, and suggested that in place thereof the treaty contain a provision that Hawaii should "be incorporated into the United States as an integral part thereof."

CENTURY DICTIONARY DEFINITION OF "INTEGRAL"

The Hawaiian commissioners were reluctant to accede to the change, but did so after looking up the definition of "integral" in the Century Dictionary, which contains the following:

"Integral * * * relating to a whole composed of parts, spatially distinct (as a human body of head, trunk, and limbs), or of distinct units."

Examples are given:

"The integral parts make perfect the whole and cause the bigness thereof."

"Intrinsic, belonging as a part to the whole, and not a mere appendage to it."

"All the Teutonic states in Britain became, first dependencies of the West Saxon King, then integral parts of the Kingdom."

VII

HARRISON ANNEXATION TREATY OF 1893

The treaty was thereupon completed in the form proposed by Secretary Foster, viz, that Hawaii was annexed "as an integral part of the United States," and in this form the treaty was sent by President Harrison to the Senate for ratification.

No action was taken on the treaty prior to the end of President Harrison's term, and President Cleveland coming into office March 4, 1893, recalled the treaty from the Senate, and no further action was taken concerning it.

VIII

CONSTITUTION OF THE REPUBLIC OF HAWAII PROVIDED FOR ANNEXATION

President Cleveland having declined to consider annexation, the provisional government of Hawaii proceeded to transform itself into the Republic of Hawaii, and on July 4, 1894, adopted a constitution enacted by a constitutional convention.

Article 33 of this constitution provided for the making of "a treaty of political or commercial union between the Republic of Hawaii and the United States, subject to the ratification of the senate"—the senate referred to is that of Hawaii.

(The provision in the constitution concerning a "commercial union" was to make provision for such a treaty if "political union" failed—the administration at Washington being then opposed to the latter. No action was ever taken looking toward a treaty of "commercial union.")

IX

THE M'KINLEY TREATY OF ANNEXATION

Upon the accession of William McKinley to the Presidency of the United States a new annexation commission was accredited to Washington by the Republic of Hawaii.

President McKinley approved of the principle of annexation, and designated Secretary of State John Sherman to represent the United States in negotiating such treaty. Ex-Secretary of State John W. Foster acted as advisory counsel for the United States.

The Hawaiian commissioners requested that annexation be expressed in the terms of the Harrison treaty, viz, that they be annexed to the United States "as an integral part thereof."

The request was complied with, and the preamble of the treaty recites that the Republic of Hawaii has expressed a desire "that those islands shall be incorporated into the United States as an integral part thereof."

"To this end" the treaty was entered into.

Section 1 of the treaty provides that * * * "The Republic of Hawaii is hereby annexed to the United States of America under the name of the Territory of Hawaii."

X

STATEMENT OF SECRETARY OF STATE JOHN SHERMAN

In a letter by John Sherman, Secretary of State, transmitting the treaty when signed by the plenipotentiaries to President McKinley, he said that, other forms of union being impracticable:

"There remained, therefore, the annexation of the islands and their complete absorption into the political system of the United States as the only solution satisfying all the given conditions and promising permanency and mutual benefit."

XI

STATEMENT OF PRESIDENT M'KINLEY UPON TRANSMISSION TO THE UNITED STATES SENATE OF THE TREATY ANNEXING HAWAII

In his letter transmitting the treaty to the Senate President McKinley said:

"The incorporation of the Hawaiian Islands into the body politic of the United States is a necessary and fitting sequel to the change of events which from a very early period in our history has controlled the intercourse and prescribed the association of the United States and the Hawaiian Islands, the organic and administrative details of incorporation are necessarily left to the wisdom of the Congress; and I can not doubt, when the function of the treaty-making power shall have been accomplished, the duty of the national interests of this rich insular domain and for the welfare of the inhabitants thereof."

XII

RATIFICATION OF THE M'KINLEY TREATY BY THE HAWAIIAN SENATE

In accordance with the constitution of the Republic of Hawaii, the McKinley treaty was thereupon ratified by the Hawaiian Senate, and the cession of Hawaii to the United States provided for, so far as Hawaii could accomplish the same.

The treaty as a whole was embodied in the resolution ratifying it. (Annexation was finally consummated, not by ratification of the treaty by the United States Senate, but by joint resolution of the Congress.)

The wording of the treaty and the action of the Hawaiian Senate are, however, of vital importance to the issue now under discussion, for the treaty states that it is made "to the end that those islands shall be incorporated into the United States as an integral part thereof," and the ratification of such treaty by the Hawaiian Senate is referred to in the joint resolution of annexation as the cession on the part of Hawaii, upon which the joint resolution was based. The joint resolution therefore incorporates into itself the said basis of annexation as much as though the resolution had contained the words "to the end that those islands shall be incorporated into the United States as an integral part thereof."

XIII

ANNEXATION OF HAWAII BY JOINT RESOLUTION OF THE UNITED STATES SENATE AND HOUSE OF REPRESENTATIVES

The Senate of the United States having failed to act upon the McKinley treaty, a joint resolution of annexation was adopted by both Houses of Congress July 7, 1898, accepting the "cession" provided for by the treaty as ratified by the Hawaiian Senate.

The preamble of the joint resolution recites such "cession" by Hawaii, and in the body of the resolution states that "such cession is accepted, ratified, and confirmed."

XIV

STATEMENT OF HAROLD M. SEWALL, UNITED STATES MINISTER AT HONOLULU, UPON FORMAL TRANSFER OF THE SOVEREIGNTY OF HAWAII TO THE UNITED STATES

Upon the occasion of formal transfer of the sovereignty of Hawaii on August 12, 1898, Harold M. Sewall, minister of the United States to Hawaii, presented to President Dole, of the Republic of Hawaii, a certified copy of the joint resolution, said: "This joint resolution accepts, ratifies, and confirms, on the part of the United States, the cession formally consented to and approved by the Republic of Hawaii."

(The "cession" referred to is the ratification of the McKinley treaty by the Hawaiian Senate, above referred to.)

XV

STATEMENT OF PRESIDENT DOLE UPON THE TRANSFER OF SOVEREIGNTY OF HAWAII TO THE UNITED STATES

In replying to the last above-noted address by Minister Sewall, President Dole said:

"A treaty of political union having been made, and the cession formally consented to and approved by the Republic of Hawaii, having been accepted by the United States of America, I now in the interest of the Hawaiian body politic and with full confidence in the honor, justice, and friendship of the American people, yield up to you as the

representative of the Government of the United States the sovereignty and public property of the Hawaiian Islands."

XVI

ENACTMENT BY CONGRESS OF AN ACT ORGANIZING HAWAII INTO A TERRITORY

On April 30, 1900, the Congress enacted the Hawaiian organic act, creating Hawaii into a Territory of the United States, providing therein, among other things:

"Section 5. That the Constitution, and, except as herein otherwise provided, all the laws of the United States which are not locally inapplicable shall have the same force and effect within the said Territory as elsewhere in the United States."

XVII

DECISION OF THE UNITED STATES SUPREME COURT CONCERNING THE STATUS OF HAWAII IN THE UNION

In 1903 the Supreme Court of the United States decided unanimously in the case of Hawaii v. Mankichi, 190 United States Supreme Court Reports 197, that Hawaii had been incorporated as an "integral part of the United States."

Several opinions were announced, but on this point the only difference of opinion was as to when such incorporation became complete.

Chief Justice White, speaking for himself and Justices Harlan, Brewer, and Peckham, said, among other things, referring to the McKinley treaty and the joint resolution accepting its terms:

"The preamble of this treaty expressed 'the desire of the Government of the Republic of Hawaii that those islands should be incorporated into the United States as an integral part thereof and under its sovereignty,' and that the governments 'have determined to accomplish by treaty an object so important to their mutual and permanent welfare.'"

(See p. 224; also separate opinion of Justice Harlan, p. 227; also p. 225: "By the resolution the annexation of the Hawaiian Islands became complete and the object of the proposed treaty, that 'those islands should be incorporated into the United States as an integral part thereof and under its sovereignty,' was accomplished.")

XVIII

DECISION BY THE DEPARTMENT OF JUSTICE AND THE BUREAU OF EDUCATION OF THE UNITED STATES UPON THE STATUS OF HAWAII IN THE UNION

After enactment by Congress of the organic act the several executive departments of the United States Government differed in their rulings as to whether general appropriations applying to these States as a whole were applicable to Hawaii, the decisions as a rule being that they did.

In 1907 the Territory of Hawaii established a college of agriculture and mechanic arts (now the University of Hawaii) and applied for Federal assistance under the acts of Congress supplementing the Morrill Act.

The executive officers of the Department of Justice and the Bureau of Education gave formal decisions that Hawaii was not entitled to aid under such acts.

Hawaii applied for a reconsideration and reversal of these decisions and presented a statement of facts and arguments supporting her position.

The said officials upon such reconsideration reversed their previous rulings and extended the aid provided by Congress to the College of Hawaii, and it has ever since shared in the general appropriations made for such colleges throughout the United States.

XIX

ACT OF CONGRESS REVERSING THE RULING OF THE TREASURY DEPARTMENT AND INCLUDING HAWAII IN GENERAL APPROPRIATIONS

After the final rulings in connection with the College of Hawaii, the Territory of Hawaii applied for aid to its topographic and hydrographic survey, under the general appropriations that were made by Congress for the topographic and hydrographic surveys "of the United States."

The executive officials of the United States Treasury Department decided that this appropriation was inapplicable to the Territory of Hawaii, and refused the latter's request.

Application was thereupon made to Congress for remedial legislation to meet this ruling of the Treasury Department, whereupon Congress passed an act on May 27, 1910, amending section 5 of the organic act by inserting therein the words "including laws carrying general appropriations" so that said section now reads as follows:

"SEC. 5. That the Constitution, and except as otherwise provided, all the laws of the United States, including laws carrying general appropriations, which are not locally inapplicable, shall have the same force and effect within the said Territory as elsewhere in the United States."

Upon the passage of this amendment to the organic act, the Treasury Department changed its ruling, and Hawaii has ever since shared in the general appropriations for such surveys.

XX

HAWAII IS SUBJECT TO EVERY TAX, IMPOST, IMPORT DUTY, AND ALL OTHER OBLIGATIONS IMPOSED UPON THE SEVERAL STATES

As examples:

Hawaii Naval Reserve and National Guard called into Federal service.

During the war the naval service and the National Guard of Hawaii were called into the service of the Federal Government and served upon the same basis as those of the several States.

Draft law applied in the Territory of Hawaii: The draft law was applied in the Territory of Hawaii upon the same basis as in the several States, and the men drafted served in the forces of the United States.

Federal internal revenue laws applied to Hawaii: All Federal internal revenue laws are applied in the Territory of Hawaii upon the same basis as the States.

In 1921, Hawaii paid Federal internal revenue taxes amounting to $20,680,103.23, a greater sum than was paid by any one of 17 States.

In 1922, Hawaii paid Federal internal revenue taxes amounting to $15,515,063.03, a greater sum than was paid by any one of 19 States.

Federal import customs duties are imposed upon all foreign merchandise entering Hawaii: In 1921, the Federal Government collected import customs duties in the Territory of Hawaii amounting to $1,426,716.32, besides other charges.

In 1922, the Federal Government collected import customs duties in the Territory of Hawaii amounting to $1,076,163.12, and other charges.

It will be noted that import customs duties collected by the Federal Government in the "insular possessions." are returned to the local government. This is not the case in the Territory of Hawaii. The entire collections are retained in the Federal Treasury.

It will be further noted that merchandise entering ports of the mainland, upon which customs duties are collected, pass on to interior States, the payment of the duties being, therefore, divided among several, if not many, States.

This is not so as to imports into Hawaii, where they are all consumed, and the Territory of Hawaii consequently pays the entire amount of the duties.

XXI

ALL CALLS BY NATIONAL GOVERNMENT AND ORGANIZATIONS FOR FINANCIAL CONTRIBUTIONS ARE APPORTIONED TO THE TERRITORY OF HAWAII UPON THE SAME BASIS AS TO THE SEVERAL STATES

Every call made by the Federal Government for subscriptions to Liberty loans and war-savings stamps was apportioned to the Territory of Hawaii upon the same basis as to the several States, and in every instance the Territory of Hawaii "went over the top" in the front rank with wide margins to spare.

Likewise, all calls by national philanthropic, patriotic, and relief organizations, national, and international, such as the Red Cross, Y. M. C. A., Belgian Relief, Near East Relief, etc., for funds, have been apportioned to the Territory of Hawaii upon the same basis as to the several States.

XXII

INCLUSION OF THE TERRITORY OF HAWAII IN FINANCIAL AND OTHER OBLIGATIONS AND EXCLUSION FROM FINANCIAL BENEFITS, UNJUST, INEQUITABLE, AND INCONSISTENT WITH PLEDGES MADE TO HAWAII AT TIME OF ANNEXATION

It is submitted that the inclusion of Hawaii in all financial and other obligations imposed upon the States, and the exclusion of the Territory from the financial benefits and aids extended to the States as a whole, is unjust and inequitable, and inconsistent with the pledges and assurances of the United States, made through its executive officials during the negotiation of annexation, as above set forth in the statements of Secretary of State Marcy, Secretary of State Foster, and President McKinley; and also constitutes a failure to meet the trust to the good faith of the United States, expressed by President Dole, of Hawaii, upon the occasion of the transfer of the sovereignty of Hawaii to the United States.

SEC. 3. The Legislature of the Territory of Hawaii hereby expresses its sincere confidence in the good faith and intent of the Congress to do full justice to the Territory of Hawaii, and further expresses its earnest belief that the matters and things herein enumerated as inconsistent with the rights of the Territory of Hawaii grow out of inadvertence or misunderstanding, and will be speedily remedied when the Congress is fully informed of the facts.

SEC. 4. To the end, therefore, that removal of all misunderstanding in the premises may be speedily accomplished, and such action taken by the Congress and the Federal Executive as may meet and remedy the conditions herein recited, the governor is hereby authorized and empowered to appoint a commission of three persons, one of whom shall be designated as chairman, and to fill vacancies therein if any occur, to prepare such brief and further evidence and argument as may be necessary or proper, and to proceed to Washington, D. C., and, in association with the Delegate to Congress from Hawaii, present and urge the claims of the Territory of Hawaii above set forth with a

view to securing from Congress and the Executive, recognition in appropriate form, of the claims of Hawaii above set forth; more particularly to secure such legislation from Congress by amendment to existing law or by new legislation as may include Hawaii in all acts in aid of good roads, education, farm loans, maternity, home economics, training in agriculture, trade and industry, and other acts of a like nature which apply to the States as a whole, so that such acts may apply to and include Hawaii in the same manner and upon the same basis as they do to the several States.

SEC. 5. This act shall take effect upon its approval.

As a consequence of that resolution the Federal Congress passed H. R. 4121 in the Sixty-eighth Congress, which belatedly gave to Hawaii some participation in the future in connection with Federal aid that had heretofore been denied.

Even now, after the fight appears to have been won, Hawaii is wholly misunderstood by large masses of our people. That in itself may not be wondered at, but that the Members of Congress and the executive departments here in Washington should continue to exhibit such misunderstanding in the matter of our status is of more serious concern to us.

That we are an integral part of the United States was decided by the United States Supreme Court's decision in 1903, Hawaii *v.* Mankichi (190 U. S. Sup. Ct. Rept. 197).

Besides, section 5 of the organic act passed by the Federal Congress "to provide a government for the Territory of Hawaii" (31 Stat. L. 141), reads:

That the Constitution, and, except as otherwise provided, all the laws of the United States, including laws carrying general appropriations, which are not locally inapplicable, shall have the same force and effect within the said Territory as elsewhere in the United States.

Yet in every Congress bills of such a general nature are introduced providing for the States but failing to provide for the organized Territories. In the past, and not further back than 1925, a bill of the kind but actually using the words "and Territories" was interpreted by one of the executive departments as not applying to the Territory of Hawaii, but it was held that the words "and Territories" were intended to mean "Territories contiguous to the continental United States." The unsoundness of such an opinion can be understood when it is realized that in 1925 there were no Territories contiguous to the continental United States, and Congress surely could not have intended to use the words to no meaning. On the other hand, the author of the bill just referred to has in writing assured the speaker that it was his intention by the words used to cover the Territory of Hawaii.

Further, in the departments the same failure to understand our position is evidenced by reports and releases to the press where the Territories are quite frequently left out of consideration or else incorrectly classified. The most glaring of such a case was that of the recent United States census of agriculture, where Hawaii was completely left out. More recently the Department of Commerce, in a report on "Foreign investments by American banks," so classed investments in Hawaii. The error evidently arose from a confusion of the terms "Territories and possessions," not recognizing the application of the term "Territory" under our form of government only to "organized Territories." That such was the case is evident from the fact that one of the headings in the report refers to "Territorial possessions." Such confusion, except for the fact that financial institutions themselves correctly understood the situation, would be very embarrassing to us and make it difficult to float our bonds.

The great difference between Territories and possessions may be in a few words characterized as follows: The Territories of the United States, whilst enjoying the benefits of being a part of the United States, also have to bear the burdens and responsibilities consequent upon being an integral part of the United States, hence our people and our corporations are subject to the Federal income tax which is paid into the Federal Treasury and such internal revenue and customs duties that are collected also inure to the Federal Treasury. Whereas the possessions of the United States carry no such responsibilities whilst freely enjoying the benefits accruing by reason of being under the flag. Possessions do not pay Federal income tax and the customs duties collected go into the island treasuries. For instance, to illustrate, the Philippine Islands, whilst producing sugar in competition with American-grown sugar on the mainland and in Hawaii, do not have to pay the corporation tax that to the extent of 13½ per cent bears down heavily on our domestic corporations. That it is a heavy burden is shown by the fact that the Territory of Hawaii in the last year contributed under such tax to the Federal Treasury more than 13 States of this Union.

Because of this confusion as between Territories and possessions we have still another phase of the situation which circumscribes our freedom of action. I refer now to the fact of the limitations upon our local self-government. By the organic act Congress provided, in section 55, as follows:

LEGISLATIVE POWER

SEC. 55. That the legislative power of the Territory shall extend to all rightful subjects of legislation not inconsistent with the Constitution and laws of the United States locally applicable. The legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter, shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory; but the legislature shall not grant to any corporation, association, or individual any special or exclusive privilege, immunity, or franchise without the approval of Congress; nor shall it grant private charters, but it may by general act permit persons to associate themselves together as bodies corporate for manufacturing, agricultural, and other industrial pursuits, and for conducting the business of insurance, saving banks, banks of discount and deposit (but not of issue), loan, trust, and guaranty associations, for the establishment and conduct of cemeteries, and for the construction and operation of railroads, wagon roads, vessels, and irrigating ditches, and the colonization and improvement of lands in connection therewith, or for colleges, seminaries, churches, libraries, or any other benevolent, charitable, or scientific association: *Provided*, That no corporation, domestic or foreign, shall acquire and hold real estate in Hawaii in excess of 1,000 acres; and all real estate acquired or held by such corporation or association contrary hereto shall be forfeited and escheat to the United States, but existing vested rights in real estate shall not be impaired. No divorce shall be granted by the legislature, nor shall any divorce be granted by the courts of the Territory unless the applicant therefor shall have resided in the Territory for two years next preceding the application, but this provision shall not affect any action pending when this act takes effect; nor shall any lottery or sale of lottery tickets be allowed; nor shall spiritous or intoxicating liquors be sold except under such regulations and restrictions as the Territorial legislature shall provide; nor shall any public money be appropriated for the support or benefit of any sectarian, denominational, or private school, or any school not under the exclusive control of the Government; nor shall the Government of the Territory of Hawaii, or any political or municipal corporation or subdivision of the Territory, make any subscription to the capital stock of any incorporated company, or in any manner lend its credit for the use thereof; nor shall any debt be authorized to be contracted by or on behalf of the Territory, or any political or municipal corporation or subdivision thereof, except to pay the interest upon the existing indebtedness, to suppress insurrection, or to provide for the common defense, except that in addition to any indebtedness created for such purposes the legislature may authorize loans by the Territory, or any such subdivision thereof, for the erection of penal, charitable, and educational institutions, and for public buildings, wharves, roads, and harbor and other public improvements, but the total of such indebtedness incurred in any one year by the Territory or any subdivision shall not exceed 1 per cent upon the assessed value of taxable property of the Territory or subdivision thereof, as the case may be, as shown by the last general assessment for taxation, and the total indebtedness for the Territory shall not at any time be extended beyond 7 per cent of such assessed value, and the total indebtedness of any subdivision shall not at any time be extended beyond 3 per cent of such assessed value, but nothing in this provision shall prevent the refunding of any existing indebtedness at any time; nor shall any such loan be made upon the credit of the public domain or any part thereof, nor shall any bond or other instrument of any such indebtedness be issued unless made redeemable in not more than 5 years and payable in not more than 15 years from the date of the issue thereof; nor shall any such bond of indebtedness be incurred until approved by the President of the United States.

In the exercise of the above functions the legislature has provided the usual laws common to most of the States and has provided an orderly, stable, modern, and wholly American administration. The Territory has under American auspices developed to a high degree, and at present compares with many States. Our population is greater than that of three States and our payment into the Federal Treasury is in excess of that made by each of 13 individual States. During the time of our greatest prosperity we paid in one year more than each of 21 States.

Yet to this American community the Federal Congress has seen fit to address a special chapter in the Criminal Code containing 13 sections governing matters that ordinarily are left to the control of the sovereign States. To be sure the chapter is applicable not only to Territories but also to the District of Columbia, or within or upon any place within the exclusive

jurisdiction of the United States; the questions treated are such as—

Circulating obscene letters, polygamy, unlawful cohabitation, adultery, incest, fornication, recording certificates of marriage, prize fights, and bull fights, train robberies, and discrimination by proprietors of theaters against persons wearing uniform of Army, Navy, etc.

It is possible that because of the inclusion of the District of Columbia in the chapter and places within the exclusive jurisdiction of the United States, for which there are no legislative bodies other than Congress, that these matters were found necessary. But since by the provision in the organic act creating the Territories of the United States, legislative bodies are created which can and have taken care of such matters, the part of wise statesmanship and development of the American theory of self-government would seem to point to the elimination from the application of this chapter to the Territory of Hawaii for which I speak. In this respect at least the possessions of the United States have undoubtedly greater freedom than we who contribute to the fiscal support of this Government.

I would urge the early repeal of the whole of the above chapter of laws, being chapter 13, title 18, of the United States Code. I have, upon request of the legislature of the Territory, attempted to get a modification of one of the above statutes so as to permit of boxing in the Territory, but so far it has only passed the House. Surely a community of three hundred and thirty thousand-odd people can be trusted to enact proper laws on that subject; and if the possessions of the United States may have such a portion of self-government, it is most difficult for us to defend the attitude which will deny us that same measure of freedom. In conclusion, sir, may I not bring to the attention of the Congress and of the people at large that Hawaii is proud of its status under the Union and is not seeking either independence or autonomy. Hawaii, since its union with our great Nation, has prospered to a wonderful degree. Some who are more careless of their statements than of their desires for continuing under the flag have referred to the native Hawaiians and by inference wish to make it appear that the native Hawaiians have suffered exploitations by reason of annexation. The Federal Government has at all times done everything that was within its power to protect the native Hawaiians, and only in this session of Congress passed a law for the further development of the scheme to rehabilitate the native Hawaiians. The damage that was done was unwittingly the result of legislation when the Hawaiian himself was still in full control of political power.

We are a Territory, just like every other State of the Union was one before becoming a State, except the original thirteen Colonies. We are passing through our apprenticeship and look hopefully to the time when we may prove to the country that we are wholly and thoroughly American, stable and dependable, in order that we may be granted the only autonomy that we desire, statehood on equality with the other States of the Union.

ADJOURNMENT OVER UNTIL MONDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. McDUFFIE. Reserving the right to object, is it the intention of the gentleman to call the Private Calendar again?

Mr. TILSON. If we adjourn on Tuesday, it is my intention that we shall sit until a late hour on Monday afternoon and perhaps have an evening session.

Mr. GARNER of Texas. I have heard a number of gentlemen say that they want the Consent Calendar considered to-night. Is there anything objectionable in having an evening session to-night? There are a number of bills on the calendar that we would like to get to the Senate for consideration. Why can not the gentleman have a night session from 8 until 10.30 for bills on the Consent Calendar?

Mr. TILSON. A number of Members interested in bills on the Consent Calendar have said to me they did not wish to go on to-night. We were here last night until 11 o'clock. Unless the adjournment resolution passes the Senate there is no need of our holding night sessions, especially on a Saturday night. If we should adjourn finally on Tuesday, Monday will be a long day, and there is no use in starting any new business that will be contested.

Mr. GARNER of Texas. If you had new business to-night and have over Sunday and Monday, you could get the bills engrossed and up to the White House and signed by the President if not objectionable to him. I think you could accomplish a great deal if you had a night session to-night.

Mr. HASTINGS. Would it not be advisable to have the Consent Calendar on Monday?

Mr. TILSON. That is what I hope to do on Monday and Monday night.

Mr. HASTINGS. And on Tuesday call the remaining bills on the Private Calendar?

Mr. TILSON. Yes. It will not take very long to finish the bills on the Private Calendar. I hope to complete both calendars before we adjourn.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. MOORE of Virginia. Is the gentleman going to adhere to the practice in considering the Private Calendar of allowing one Member to block consideration of a bill instead of putting it on an equality with the Calendar for Unanimous Consent requiring three objections? It seems to me it is almost a shame that the Private Calendar should be so considered in the House that one man can hold up the passage of meritorious measures. There is no way of bringing those bills up except by unanimous consent.

Mr. TILSON. The gentleman must realize that the consideration of private bills under the rules of the House, going into Committee of the Whole on each bill would take at least six months to complete the calendar.

Mr. MOORE of Virginia. The gentleman misunderstands me.

Mr. TILSON. Mr. Speaker, for the present I withdraw my request.

MARBLE BUST OF MARTIN B. MADDEN

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the House resolution which I send to the desk.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 226

Resolved, That the sum of $2,500 is authorized to be paid from the contingent fund of the House for the procurement of a marble bust of Martin B. Madden, late a Representative from Illinois. The expenditure of the sum herein authorized shall be made under the direction of the Committee on the Library.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was unanimously agreed to.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for a minute on this resolution with reference to a sculptor.

The SPEAKER pro tempore. Is there objection?

Mr. DYER. Reserving the right to object—and I shall not object—I shall object to any more unanimous-consent requests until the two special orders have been carried out.

The SPEAKER pro tempore. Is there objection?

There was no objection.

MOSES DYKAR

Mr. CELLER. Mr. Speaker and gentlemen of the House, I rise to call the attention of the House to the fact that the resolution just passed is very praiseworthy, and that I hope when the names of sculptors are considered by the Committee on the Library that that committee will take into consideration the ability and artistry of Moses Dykar, a sculptor who has a very fine collection of sculpture in the National Museum, and who has recently completed a bust of President Coolidge, which was presented by his classmates to Amherst College. Mr. Dykar is now at work on the head of Mrs. Longworth and he has finished the bust of Speaker Longworth. The head of the late Vice President Marshall in the Senate is his. He did the busts of Samuel Gompers, James Graham Bell, inventor of the telephone, former Speaker Champ Clark, Mrs. Warren G. Harding, and many others. His work is very distinctive in character and has received wide acclaim. He would make an excellent likeness of the late Mr. Madden.

Mr. LaGUARDIA. Is Mr. Dykar an Amercian citizen?

Mr. CELLER. I believe he is, although I am not certain in that regard. He is thoroughly American in his ideals and work and has made a deep imprint on Amercan sculpture.

HOUR OF MEETING MONDAY

Mr. TILSON. Mr. Speaker, I have been requested to renew my request that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. on Monday.

The SPEAKER pro tempore. The gentleman from Connecticut asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. on Monday next. Is there objection?

There was no objection.

Mr. FULBRIGHT. Mr. Speaker, will the gentleman yield to me for a question?

Mr. TILSON. Certainly.

Mr. FULBRIGHT. I understood the gentleman from Connecticut to say a moment ago that there would be no new legislation initiated at this session.

Mr. TILSON. I did not mean that. I meant no long-drawn out legislation that may be contested.

Mr. GARNER of Texas. Controversial legislation?

Mr. TILSON. Yes; I mean no controversial legislation.

Mr. FULBRIGHT. Then I understand from the majority leader that there will be no attempt to pass any farm-relief legislation at this session?

Mr. TILSON. That is a rather large order for this stage of the session.

Mr. DYER. Mr. Speaker, I demand the regular order.

GORGAS MEMORIAL LABORATORY

Mr. OLIVER of Alabama. Mr. Speaker, some time ago I made speeches in the House on the subject of civil aviation and also on the Gorgas Memorial. At that time I obtained permission to extend my remarks in the RECORD upon those subjects. Fearful that my rights in the matter have lapsed, I renew the request.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Speaker, I can not omit to here express the appreciation and the great and justifiable pride of the people of my State for the further honors which this Congress now seeks to pay the memory of that immortal American, Gen. William Crawford Gorgas, born at Mobile, Ala., and who always claimed his political domicile in my district, at Tuscaloosa, Ala., where a loved sister now lives in the beautiful old Gorgas home, rendering high service to the youth of our country as librarian of the University of Alabama, a position which her greatly beloved and sainted mother held for more than a third of a century next preceding her death.

It is peculiarly fitting that our country should generously cooperate with Central and South America in establishing and maintaining at Panama a memorial of international import to this great American, for certainly no man ever served humanity in a wider, more beneficent, more lasting way than did General Gorgas. This is why he was loved and honored, not alone at home but by the nations of the earth, and though he has passed away from us forever, the fruits of his labor still live and will continue to serve mankind through this memorial laboratory. Standing as it will at the crossroads of the nations, it will ever serve to remind the world that this great American above all brought to the practice of his profession in all its relations the loftiest standards of professional duty and honor. The purity of his life, the nobility and dignity of his character, his scorn of everything sordid, base, or mean, the kindness of his heart, and the grace and charm of his manner, added to the wealth and abundance of his intellectual accomplishments, made him the finest type and model of what a great physician can and should be. As such, the world will not forget, but will ever cherish, his memory, and the generous aspirations of future generations will find in his life and fame a perpetual incentive to noble endeavor.

In conclusion I wish to refer to a memorial service held in the city of Washington on January 16, 1921, under the auspices of the Southern Society, and participated in by high representatives from many nations, in which he was adjudged "Forerunner of canal builders, preserver of life, and pioneer in preventive medicine." (See proceedings of meeting in pamphlet form in Congressional Library.)

At this service tributes were paid to General Gorgas by distinguished officials from many countries, presaging the universal fame which he is accorded to-day. It would seem to be peculiarly appropriate to spread on the records of Congress a single beautiful flower from this bouquet of world-wide praise. Its appropriateness is evidenced by the fact that it was delivered by the ambassador of France, which great country at one time was faced with the problem which later was so successfully solved by General Gorgas. With a gracious gesture toward the one who accomplished where another of merit failed, as a beautiful tribute from a representative of one great nation to the internationally honored son of another great nation, I will here read and append the address of Hon. J. J. Jusserand, ambassador of France:

Madam, ladies, and gentlemen, I consider it a high privilege to bring the homage of France to a great memory. France, whose contribution to medical science goes back to the very Middle Ages, has ever known how to appreciate merit in this line, not only that of her own sons, but that also of the sons of other countries. Our admiration for Gorgas was profound, and I bring here the expression of it. Men of note, who perform during their lives great tasks, are of two sorts: Those who, in the span of their existence, have wanted to serve their country and also themselves, and those who have desired to serve nothing but their country and mankind. Those of the first category usually draw more attention in their lifetime; they have, to be sure, like the others, much merit, but their merit is better advertised. The others have only merit without advertising. When death overtakes both sorts, then it infallibly happens that the fame of the first dwindles and that of the other increases. Of the latter category was among us French Pasteur, and among you Americans Gorgas.

He had throughout life no thought but to serve. The intensity of his desire to help and the magnitude of his work left him no time for personal consideration. That work was of immense import. The discoveries which made it possible began with a son of France, Laveran, and his studies on paludism in 1880 and with those of Finlay in Cuba on yellow fever, in 1881. It seemed an impossible battle to wage, that fight against the innumerable, ever-increasing, omnipresent, intangible enemy—the mosquito. How could one get rid of an inaccessible pest? That means was found by Gorgas. Where there had been pestilence, after he came there was health and prosperity. Where so many Frenchmen died in their effort to dig the Panama Canal, Americans lived in health and security after Gorgas had established his wise regulations. His firm and gentle hand acted as if endowed with a magical power, the magic of good will, kindness, warm-heartedness.

When his public task was finished, his life's task was not, for his duties were not dictated to him by any power above him, but from a power within himself, his ever-increasing conscience. He told me so when I saw him in that city of Panama, which he had caused to be what it now is—the beautiful, radiant capital of the recently born Republic. One of the worst plague spots remaining in the world was Guayaquil, and I remember an entertainment given when we were on the Isthmus, in which took part the handsome young officers of an American destroyer. The ship was ordered the next day to Guayaquil, and we heard three days later that the commander and several of his men were dead of yellow fever. Gorgas has been there since, and provided his regulations are well observed, no one will anymore die of yellow fever in those parts.

He died in full activity, tended by the one who was throughout his life his devoted companion and mainstay, and when he closed his eyes on the world, of which he had been such a useful citizen, he could, with a serene heart, say the nunc dimittis servum tuum; and think, my day is passed, but to the best of my ability it has been well filled.

[Applause.]

ORDER OF BUSINESS

Mr. LUCE. Mr. Speaker, I have four matters from the Committee on the Library, and have consulted with the Speaker about calling them up at this time.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to call up four matters from the Committee on the Library at this time. Is there objection?

Mr. DYER. Mr. Speaker, for the present, I object.

BRIDGE BILLS

Mr. DENISON. Mr. Speaker, I call up the following Senate bills now on the Speaker's table, and move that they be definitely postponed, similar House bills having been already passed:

S. 2343. An act extending the time for the construction of a bridge across the Mississippi River, in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

S. 2496. An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Cumberland River, on the Dover-Clarksville Road, in Stewart County, Tenn.; and

S. 768. An act to authorize the Alabama Great Southern Railroad Co. to rebuild and reconstruct and to maintain and operate the existing railroad bridge across the Tombigbee River at Epes, in the State of Alabama.

The SPEAKER pro tempore. Without objection, it will be so ordered.

There was no objection.

BATTLE FIELDS OF KINGS MOUNTAIN AND COWPENS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to have the monograph prepared by the War College on the two battle fields of Kings Mountain and Cowpens, a very valuable historical monograph, not long, printed as a House document.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMERCE BETWEEN THE UNITED STATES AND THE PHILIPPINES

The SPEAKER pro tempore. Under the special order, the Chair recognizes the Commissioner from the Philippines, Mr. GUEVARA.

Mr. GUEVARA. Mr. Speaker and gentlemen of the House, a very important question was placed before the consideration of this House by the gentleman from Colorado [Mr. TIMBERLAKE] in his well-thought-out speech, delivered on March 21, 1928, on the exportation of Philippine sugar to the United States duty free. The gentleman from Colorado suggested the necessity of limiting the export of Philippine sugar to the United States to 500,000 tons for three reasons: To protect the sugar-beet industry from competition of Philippine sugar; to work out in the Philippine Islands the theory of diversified agriculture; and to permit the Filipino people to develop their own oriental sugar market.

Each of the grounds invoked by the gentleman from Colorado [Mr. TIMBERLAKE] merits much consideration, but I will discuss them briefly in view of the limited time that has been so graciously granted me.

I shall begin by recognizing that the first duty of the Congress of the United States is to protect its home industry. In the case of the Philippine Islands this duty appears to be somewhat extreme and doubtful and invited an analysis of the political relationship between the two countries.

There is no necessity of discussing now the reasons why the Philippine Islands are under the American flag. The fact, the plain fact, is that our country is under the American flag, and this Government exercises over it an unrestricted sovereignty. It is necessary at the outset to clarify the meaning of "home industry" or "home affairs." The suggestion was made by the gentleman from Colorado [Mr. TIMBERLAKE] that because the Philippine Islands have not yet acquired the status of a State they can not enjoy economic equality with the United States. Heretical as this is as a political and moral proposition, it nevertheless may become a reality, and it should therefore cause alarm to all peoples living under the American flag and in Territories not enjoying statehood.

This is a new proof of the anomalous political situation in which the Philippine Islands have been placed. Not only do the inhabitants therein enjoy limited political rights but, according to the proposition advanced by the gentleman from Colorado [Mr. TIMBERLAKE], they are also supposed to have limited economic right. The Filipinos have always understood and they have always been led to believe that all those living under the American flag have the right to the pursuit of happiness, prosperity, and life. To accomplish this end it was proclaimed by the United States that equal protection before the law is one of the fundamental rights to be enjoyed by all peoples living within its jurisdiction. Any discrimination against this doctrine is certainly un-American. Besides, it would be contrary to the well-known American principle that "a country can not be foreign for one purpose and domestic for another."

Setting aside this political consideration, let us examine the plan suggested by the gentleman from Colorado [Mr. TIMBERLAKE] in the light of principles which should govern the free trade relations between the United States and the Philippines. May I say that real reciprocity should be its essence. The Philippine Islands do not claim any privilege in its economic relations with the United States, but to my mind it is its natural right to desire for real reciprocity. It is only just and fair that such reciprocity should prevail as long as the Philippine Islands have not definitely severed their political relationship with the United States. Otherwise, adoption of the Timberlake proposition would be tantamount to the oppression of the weaker by the stronger. I will not hesitate to assert now that this is not and could not be the policy of the United States toward the Philippines or anywhere else.

Let us consider for a moment the terms of the free trade now existing between the United States and the Philippine Islands. According to its terms the United States is free to export to the Philippines all her products and goods without exception or limitation. On the other hand, the Philippine Islands are not as free as the United States to export to this country all her products and goods. Rice and all manufactured goods in the Philippines in which a certain percentage of foreign raw materials are used are not admitted duty free in the United States. This House will readily see that this condition is not encouraging to the progress of industry in the Philippine Islands. The Philippines are not producing all the raw materials needed in their present and future industries, and therefore they are compelled to import from foreign countries those raw materials which are not available in the United States or in the Philippine Islands.

It is a well-recognized fact that raw materials in the United States are more expensive than those of the same kind in Japan and China. Conditions of labor and the standard of living make the production of raw materials in the United States more expensive than those of the same kind in such places as Japan or China or Europe. Besides, transportation from the United States to the Philippine Islands is more expensive than from Japan and China, due to distance and freight rates. In discussing this aspect of the question it is far from my purpose to criticize or to make any complaint, for I well understand that the sovereign power must take necessary measures to prevent that any portion of any territory under its flag might be used by foreign countries as the medium through which they may wage competition. It is but fair and right to prevent such competition. The Filipino people are willing to support this protective policy of the United States.

I will now come to the point raised by the gentleman from Colorado [Mr. TIMBERLAKE] that the proposed limitation of the Philippine sugar is based upon the idea that it will protect the American sugar-beet industry in continental United States. On the contrary, it will undoubtedly cause the rise of the price of this commodity, to the prejudice of the consumers. This assertion can be demonstrated by statistical analysis of the domestic sugar grown in continental United States. The estimated production of sugar in continental United States in 1927 is as follows:

	Tons
Beet	780,362
Cane	38,597
Miscellaneous	12,417
Total	831,376

The entire market demand of sugar in the United States is 5,297,049 tons. From these statistics it is obvious that the domestic sugar grown in continental United States meets but 15 53 per cent of the demand of the American market and the total sugar grown under the American flag, including the Philippines, Hawaii, Porto Rico, and Virgin Islands, meets but 44.91 per cent of the demand of the American market. Therefore 55.22 per cent of the demand of the American market comes from foreign sources or sugar grown in foreign nations. The limitation suggested by the gentleman from Colorado [Mr. TIMBERLAKE] will benefit the producers in foreign countries.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. GUEVARA. Yes.

Mr. KNUTSON. Do the figures which the gentleman is giving include Hawaii?

Mr. GUEVARA. Hawaii, Porto Rico, the Virgin Islands, and the Philippine Islands.

Mr. KNUTSON. And what are those figures?

Mr. GUEVARA. Forty-four and a fraction per cent of the American sugar market is provided by the States and the Philippine Islands, Hawaii, Porto Rico, and the Virgin Islands and 55 per cent and a fraction of the American sugar demand is supplied from foreign countries.

Mr. KNUTSON. What percentage of our sugar do we import from Cuba?

Mr. GUEVARA. I have not the figures but it is over 50 per cent.

Mr. WOODRUFF. About 50 per cent.

Mr. KNUTSON. Has the gentleman any figures on the difference in the cost of production in Cuba and the Philippines?

Mr. GUEVARA. I have.

Mr. HOUSTON of Hawaii. Mr. Speaker, will the gentleman yield?

Mr. GUEVARA. Yes.

Mr. HOUSTON of Hawaii. It is understood, of course, that in Hawaii the sugar growers pay the Federal income tax.

Mr. GUEVARA. Yes.

Mr. HOUSTON of Hawaii. The corporation tax, which we have just passed on to-day, whereas in the Philippines, in Porto Rico, and in the Virgin Islands they do not pay such a tax.

Mr. GUEVARA. No; they do not. Furthermore, may I say that if the plan proposed by the gentleman from Colorado is converted into law the sugar consumers in the United States, who constitute 100 per cent of the entire population, will be compelled to pay an extravagant price for the sugar that they will consume. The price of sugar in the United States during the war may be cited. It will be unfair on my part to convey the impression to this House that if the importation of Philippine sugar is limited to 500,000 tons its price in the United States will be as high as that which prevailed during the war. But it is undeniably true that it will be higher than it is now. As soon as foreign sugar magnates are assured that the Philippine Islands can not export more than 500,000 tons to the United States the commercial genius of foreign sugar producers

will see to it that they get more profit than they are getting now in return for the quasi monopoly purported to be given them by the gentleman from Colorado [Mr. TIMBERLAKE].

I deeply regret that in the discussion of this question I have to touch a purely domestic American problem. I say purely domestic American problem because some measures enacted by the Congress of the United States and the plan sponsored by the gentleman from Colorado, as well as that presented by the gentleman from California [Mr. WELCH], classify the Filipino people as complete foreigners, or people without country and without flag.

May I again emphasize my recognition of the duty of the Congress of the United States to protect its home industry. If the arguments I have just set forth are not convincing, then I shall say that the United States can not in justice retain the Philippine Islands under its sovereignty and at the same time refuse the admission to its markets of its commercial and industrial products. The best way to protect the sugar-beet industry of the United States from competition with Philippine sugar is to fulfill the pledge of this Nation to grant the Philippine Islands their independence. We will heartily indorse and support a solution of this kind, for it will protect the sugar-beet industry of the United States and will satisfy the sacred aspirations of the Filipino people. This is the only just solution thus far that can be suggested. As years go by it will be found that the economic interests of the United States and the Philippine Islands are entirely conflicting. This relationship can not be prolonged without prejudice to either party. The United States has vast interests to protect, and certainly she will not and must not sacrifice them for the sake of the Philippine Islands. The Filipino people recognize this fact. On the other hand, the Filipino people can not by any means approve the retention of their country by the United States on a basis of unfairness, injustice, and inequality. If the Filipino people are going to live under the American flag, they should be accorded equal treatment. Otherwise they rightfully feel that they are oppressed.

I would be unfair and unjust to myself did I not admit that Philippine sugar may compete with the sugar-beet industry in the next 20 or 30 years if the present political relationship between the two countries is continued. Not only the sugar of the Philippines but also the vegetable oil, tobacco, and lumber. Before such a situation that the two countries may have to face in the future, how can it be solved without prejudice to either? The American people by its history and tradition can not afford to treat the Filipinos in an oppressive way, denying them the right they should enjoy under the American flag. On the other hand, the primary duty of the United States is to protect its own citizens. In this conflicting situation I do not see any solution but the severance of the present political relationship existing between the two countries.

The United States has done enough for us in laying the foundation upon which to build an independent Philippines. America's humanitarian and remarkable leadership in our country during the last 30 years will never be forgotten by the Filipino people, and once independent they will have a glorious opportunity to show to the world their gratitude to America. I will not hesitate to assert that their coasts and seas, their mountains and lakes, even their lives and fortunes, will be at the disposal of this Nation in moments of need. Why, then, prolong the present situation which is not advantageous to either party? The interest of the United States in the Far East could be better served and safeguarded with an independent Philippines.

The continuation of American sovereignty in the Philippine Islands is beginning to be misconstrued and misunderstood. This is entirely human. The nations of the world are prompt to condemn and distort any policy when such a policy does not originate from them. American statesmanship should consider this question very seriously. The political situation of the Philippine Islands ought to be solved in a definite way. All the arguments advanced against Philippine independence can be used against any country enjoying an independent life. This is the reason why I invoke American statesmanship in order that with broad vision it may find a solution for the Philippine problem, and will protect America's interests as well as those of the Philippines.

The SPEAKER pro tempore. The time of the Commissioner from the Philippines has expired.

Mr. DYER. Mr. Speaker, I ask unanimous consent that the Commissioner from the Philippines may have permission to extend his remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GILBERT. Mr. Speaker, does the gentleman want any more time?

Mr. GUEVARA. I would like very much to have four or five minutes.

Mr. GILBERT. The gentleman represents 12,000,000 people here, and I think he should be granted more time.

Mr. WELCH of California. Mr. Speaker, I shall be very glad to yield the gentleman five minutes of my time. [Applause.]

The SPEAKER pro tempore. The Commissioner from the Philippines is recognized for five additional minutes.

Mr. GUEVARA. Now to the plan suggested by the gentleman from Colorado [Mr. TIMBERLAKE], to apply to the Philippines the theory of diversified agriculture. It is worthy of praise as a general proposition. However, considering its economic aspect in the present political situation of the Philippine Islands, I will say that it is uneconomic and unsound. Market is the essential element for industry and agriculture. It is the foundation of commerce. For the present the only available market for Philippine products is the United States, due to its present political situation and the free trade relations between the two countries. The American market needs tropical products, such as sugar, coconut oil, tobacco, lumber, and hemp, which are the major products of the Philippine Islands.

The application of diversified agriculture in the Philippine Islands will necessarily call for the development of cotton, fruits, and other foodstuffs. Is there anyone in this House who can tell me that the United States will be a good market for products, say, grapefruit, grapes, strawberries, apples, oranges, pineapples, and so forth? The distance between the United States and the Philippines, the climate prevailing almost through the year between the latter and the international line, is an unavoidable obstacle for the exportation of these products from the Philippines to the United States. The Philippine Islands produce enough of those products to meet the demand of its local market. Exportation of these products to China, Japan, Java, Siam, or to European markets is absolutely unthinkable. They produce enough to meet the demand of their own markets, and the Philippine Islands is handicapped with the elements of transportation and climate. Therefore, it is folly for them to greatly develop the production of these staples for exportation. Besides, it is necessary to consider that the Philippine Islands is at present without authority to negotiate commercial treaties with other nations. For any nation this authority is very essential for the building of foreign markets for its products. Consequently, the theory of diversified agriculture and of the Philippine Islands having to build its own oriental market is but a dream as an economic proposition under its present status.

Before concluding, may I solemnly say that the Filipino people welcome the approval of the Welch bill barring Filipinos from entering the United States. They are a source of competition to American labor, and it is a well-known fact that they do not have all the opportunity for progress in this country. On the other hand, the Philippine Islands possess vast natural resources and enough tillable and uncultivated soil demanding the touch of the human hand. The Filipinos are better off in their own country than anywhere else, and I sincerely believe it to be my patriotic duty to discourage the desire for emigration by the Filipinos. Were it not for the racial aspect upon which the Welch bill seems to be founded, I would be the first one to support it. But let America fulfill its solemn pledge and return to the Filipino people their own country, and let them work out their own salvation and destiny and I will enlist myself with the supporters of the bill of the gentleman from California.

I say this without any ill feeling, and without any thought of conveying the impression that the Filipino people will forget what the United States has done for them during the last 30 years. Their gratitude, born from the spiritual deeds of the American people, can not be jeopardized by individual schemes of any American citizen. The many things that America has done for my people are eternal. They will remain with us as long as God above is just. I thank you. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from the Philippines has expired.

ADDRESS OF HON. CHARLES L. ABERNETHY

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein the address the gentleman from North Carolina [Mr. ABERNETHY] delivered last evening over the radio.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, under leave granted me to extend my remarks I place in the RECORD the able and interesting address of the distinguished gentleman from North Carolina, Hon. CHARLES L. ABERNETHY, delivered over the radio from Station WTFF last evening, May 25, 1928:

The first session of the Seventieth Congress will soon come to a close. It will be of interest to the public generally, and particularly to my friends in North Carolina, to recount to them a brief résumé of what this Congress has done. Up to this time there have not been many bills of a major nature that have become laws. This situation is due, in my judgment, to the fact that this is a presidential year, and the majority party in power do not seem to care to put many bills of a major nature upon the statute books. The outstanding measures that have become laws are the flood control bill, which was approved by the President on May 15, 1928; the public buildings act, approved February 24, 1928; the American merchant marine act, which has just been signed by the President; and certain veterans' legislation. These, outside of the general appropriation bills which have been passed, are the substantial major bills that have become laws. An amendment to the radio act, approved March 28, 1928, has also become a law.

The tax reduction bill, which passed the House carrying a reduction of approximately $285,000,000, was reduced in the Senate to $205,000,000, and is now in conference between the two bodies, and the conference committee has reported an agreement of a compromise of a reduction of $222,495,000. This bill will become a law at this session of Congress.

The Democratic position on the tax bill has been that there should be the largest possible reduction, so the measure as passed by the House is a Democratic idea.

The administration's idea has been to hold the reduction to around $200,000,000. The Democratic position has been that all war-time emergency taxes, in so far as possible, should be stricken from the statute books, and that these so-called nuisance taxes should be repealed.

The farm-relief measure known as the McNary-Haugen bill has just been vetoed by the President. I spoke to a radio audience from station WTFF on January 25, and I made the following statement:

"For one who has consistently supported the McNary-Haugen bill, I desire to appeal to those who each Congress put this legislation to the forefront to call into conference not only the western Members of Congress but also those Members who come from that great agricultural section—the South. Let us come together this session of Congress and so frame this legislation as to enable the southern Members of Congress and the western Members of Congress to join forces and organize and to pass substantial farm-relief legislation through Congress, and to have enough votes to override the veto of the President in the event of his disapproval. The situation of the farmer is too critical for us to play politics with measures designed for his relief. What is needed is legislation, and this we can not secure at this session of Congress unless we iron out the differences and come together on the substantial principles of the McNary-Haugen proposal, regardless of how it may effect the fortunes of certain statesmen ambitious to become President.

"Those who represent the great farm organizations of the country must realize that the plight of the farmer at this time makes it imperative that those of us who are consistently trying to give relief to him need more votes in Congress than we had at the last session of Congress; and to secure these votes there must be unity among farm leaders and the real friends of the farmer in and out of Congress, and that there must be free, open, and full cooperation and organization to secure genuine farm relief this year. So let us counsel together for the common good."

I do not profess to be a prophet, nor the son of a prophet, but we find ourselves in the position I prophesied. The Senate failed to override the veto of the President, and farm relief is dead for this session of Congress.

It is to be very much regretted that the Republican leadership in both branches of Congress did not get together and settle their differences so as to pass some remedial legislation for the farmers that could have become a law.

The radio legislation which has been enacted into law at this session of Congress was not of a political nature, and the radio situation, as a result of this law, has been greatly improved. Being a member of the Committee on the Merchant Marine and Fisheries, which had to do with this legislation, our committee took the position that the original radio act contemplated that radio broadcasting power should be equally distributed throughout the various sections of the country, and on March 28 there was passed an amendment to section (9) of the radio act, as follows:

"It is hereby declared that the people of all the zones established by section 2 of this act are entitled to equality of radio-broadcasting service, both of transmission and of reception, and in order to provide said equality the licensing authority shall as nearly as possible make and maintain an equal allocation of broadcasting licenses, of bands of frequency or wave lengths, of periods of time for operation, and of station power to each of said zones when and in so far as there are applications therefor; and shall make a fair and equitable allocation of licenses, wave lengths, time for operation, and station power to each of the States, the District of Columbia, the Territories, and possessions of the United States within each zone, according to population. The licensing authority shall carry into effect the equality of broadcasting service hereinbefore directed whenever necessary by changing periods of time for operation and by increasing or decreasing station power when applications are made for licenses or renewals of licenses: *Provided*, That if and when there is a lack of applications from any zone for the proportionate share of licenses, wave lengths, time of operation, or station power to which such zone is entitled, the licensing authority may issue licenses for the balance of the proportion not applied for from any zone to applicants from other zones for a temporary period of 90 days each, and shall specifically designate that said apportionment is only for said temporary period. Allocations shall be charged to the State, District, Territory, or possession wherein the studio of the station is located and not where the transmitter is located."

As a result of this legislation, radio broadcasting will be distributed equally all over the country. The southern section of the country has been greatly benefited by this legislation. The broadcasting stations in North Carolina have been given increased power as a result thereof, and the Radio Commission, I am sure, are impressed with the idea that Congress intended what it said originally—that the control of the air was not to be centralized in a few of the big centers of the country.

In my judgment, the most constructive legislation that has been enacted into law at this session of Congress is the merchant marine act.

When the war broke out it became the policy and purpose of our Nation to build an adequate merchant marine, and as a result of this policy and purpose the Jones Act of 1920 was enacted into law and our Government became engaged in the construction of the greatest fleet of ships of any nation in the world.

After the armistice was signed, for various reasons, the policy and purpose of the Government has been very sadly neglected. Many of the ships built were tied up, many of them were sold, and others were dismantled. There has been stagnation in shipping throughout the country.

The Senate at this session of Congress passed a bill providing that the policy and primary purpose of the merchant marine act as declared in that act of 1920 was thereby confirmed, and provided further that the United States Shipping Board should not sell any vessel or line of vessels except when in its judgment the building up and maintenance of an adequate merchant marine can be best served thereby, and then only upon the affirmative and unanimous vote of the Shipping Board.

The Senate bill also provided that the Shipping Board could recondition and improve vessels owned by the United States, and in its possession, or under its control, so as to equip them adequately for competition in the foreign trade of the United States, and leaving largely the question of the building of a merchant marine to the discretion of the Shipping Board.

When the bill came to the House and was referred to the Committee on Merchant Marine and Fisheries, of which I have the honor to be a member, it was the unanimous view of our committee that the Senate enactment was not broad enough, and as a result of extended hearings we reported to the House, and the House passed an act in substance as follows:

Confirming the policy and primary purpose of the merchant marine act of 1920:

Providing that the Shipping Board shall not sell any vessel or any line of vessels except when in its judgment the building up and maintenance of an adequate merchant marine can be best served thereby, and then only upon the affirmative vote of five members of the board duly recorded.

We also provided that the Shipping Board could remodel and improve vessels owned by the United States and in its possession and under its control so as to equip them adequately for competition in the foreign trade of the United States.

The act further provides that any vessel so remodeled or improved shall be documented under the laws of the United States and shall remain documented under such laws for not less than five years from the date of the completion of the remodeling or improving and so long as there remains due the United States any money or interest on account of such vessel, and during such period it shall be operated only on voyages which are not exclusively coastwise. New ships built under the loan fund must remain documented as American vessels for the life of the loan.

We also provided in the House bill for the replacement of vessels owned by the United States and in its possession or under the control of the board and the construction for the board of additional up-to-date cargo, combination cargo and passenger, and passenger ships, to give the United States an adequate merchant marine; and the board was authorized and directed to present to Congress from time to time recommendations setting forth what new vessels are required for permanent operation under the United States flag in foreign trade, and the estimated cost thereof, to the end that Congress may from time to time make provision for replacements and additions. All vessels built for the board shall be built in the United States, and they shall be planned with reference to their possible usefulness as auxiliaries to the naval and military services of the United States.

The House bill also provides for a construction loan fund of $250,000,000. It also provided that loans can be made to private concerns to build ships upon as much as 20 years' time and at a rate of interest, if operated exclusively in coastwise trade, of 5¼ per cent per annum, or if operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation outstanding at the time of the loan, and that no loan shall be for a greater sum than three-fourths the cost of the vessels to be constructed or than three-fourths the cost of the reconditioning, remodeling, improving, or equipping hereinbefore authorized for a vessel already built, and that the board shall require such security as it shall deem necessary to secure the completion of the construction, reconditioning, remodeling, improving, or equipping of the vessel within a reasonable length of time, and the repayment of the loan with interest.

The House bill also provided for liberal ocean mail contracts to be given to American ships by the Postmaster General.

The act also provided for an insurance fund to be set up by the Shipping Board for the purpose of insuring vessels belonging to the United States, or the equitable interest of the United States, constructed or under process of construction, or upon the interest of the United States in any vessel in which the Government has loaned money, or in any vessel which is obligated by contract with the owner to perform any service in behalf of the United States, to the extent of the Government's interest therein.

The bill also provided that during war time any of the vessels in which the Government has any interest can be requisitioned under certain conditions.

One of the most important sections of the bill was the reaffirmation of the policy and primary purpose as declared in section 7 of the merchant marine act of 1920; and it further provided that in the allocation and operation of ships that the Shipping Board should distribute them, in so far as possible, and without detriment to the service to the various ports of the country.

This bill as passed by the House was accepted by the Senate with a few modifications, and the bill has been signed by the President and is now a law.

It is my confident prediction that the passage of this act will do much to open up the ports of this country and particularly the neglected ports of the South. Under this law I confidently expect to see the ports of North Carolina opened and great ship lines running into and out of these ports to aid in the development of our wonderful State.

Many other minor bills have been passed at this session of Congress and have been signed by the President, but I do not have the time to go into these in this address.

On May 23, 1928, the President affixed his signature to H. R. 12821, 'A bill to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes," which authorizes an appropriation of $15,000,000 for the construction of additional hospital and out-patient dispensary facilities for the United States Veterans' Bureau. This is the only legislation that has finally been approved by Congress and signed by the President at this session of Congress. There are, however, now pending before the Committee on Finance of the Senate two bills, both of which have been approved in the House of Representatives, as follows:

"A bill to amend the World War adjusted compensation act," which proposes to extend the time for filing applications for the benefits of the World War adjusted compensation act two years longer. The amendatory legislation now pending will extend the time for filing until January 1, 1930.

H. R. 13039. "A bill to amend the World War veterans' act, 1924," contains many important provisions which I will not go into at this time.

The House and Senate yesterday overrode the President's veto of the emergency officers' retirement bill, and the officers to be benefited by this legislation were taken from civil life and fought in the first-line trenches during the World War, and this legislation provides for their retirement when 30 per cent disabled, the same as the retirement of officers in the Regular Army. The President, in the name of economy, vetoed this bill after it had passed both the Senate and House overwhelmingly, and it was a great victory yesterday when the friends of these disabled emergency officers were able to pass the bill over his veto.

Another bill which has passed both Houses of Congress, coming from the Committee on the Merchant Marine and Fisheries, provides for a five-year construction and maintenance program for the United States Bureau of Fisheries.

This bill is a very comprehensive one for the whole country, and takes care of many experimental, fish cultural, and other stations to be maintained and operated by the Government in various sections of the country. It provides for a fish-cultural station in eastern North Carolina to cost $35,000, and also an experimental bass and trout station in the Pisgah National Forest or the Great Smoky Mountains National Park, North Carolina, upon the acquisition of said park by the United States, this station to cost $35,000.

The bill also means much to the State of North Carolina and the country for its commercial fisheries, providing adequate maintenance, costs, and personnel for the division of fish culture, Bureau of Fisheries, authorizing an appropriation for the year 1928 of $100,000; for the year 1929, $200,000; for 1930, an appropriation of $300,000; for the year 1931, $400,000; and for 1932, $500,000.

The bill also makes provisions which are of particular importance to North Carolina, as follows: "To meet the demand for fundamental knowledge regarding our great commercial fisheries and for developing the natural cultivation of oysters, mussels, and other mollusca, and the improvement of pond, cultural, and other operations of the division of inquiry, Bureau of Fisheries, respecting food fishes. There is authorized for the year 1928, $50,000; for 1929, $100,000; 1930, $150,000; 1931, $200,000; 1932, $250,000."

Another provision which is of particular importance to the people of North Carolina and the country is the item which provides for proper husbandry of our fisheries, improvements in the methods of capture, merchandising, and distribution of our fishery harvest, including saving and utilization of waste products and other operations of the Bureau of Fisheries. There is authorized for this work for the year 1928, $35,000; for 1929, $70,000; for 1930, $105,000; for 1931, $140,000; for 1932, $175,000.

North Carolina has received very favorable consideration in its Federal building program, provisions having been made for the construction of a new Federal building at Asheville, approximately $1,000,000 having been appropriated for this purpose; an appropriation of approximately $1,000,000 being made for the construction of a new building at Greensboro; the enlargement of the one at Salisbury, the appropriation approximately $25,000; one at Wilson, about $250,000; Goldsboro, $40,000; and $210,000 for New Bern for the enlargement of the present building.

Fort Bragg has received a very liberal appropriation, $262,000 having been allocated for construction work for the fiscal year 1929.

I was able to secure an appropriation for the study of the eradication of the salt-marsh mosquito.

I was also able to have passed by both branches of Congress with the aid of Senator OVERMAN in the Senate the authorization of $2,500 for the erection of a monument in commemoration of William Rufus King at his birthplace in Clinton, N. C. William Rufus King was Vice President of the United States under the Pierce administration, and was a man of great parts.

I was successful also in getting the continuation of the appropriation for the maintenance and care of the Moores Creek Battle Ground National Park.

Congress also has appropriated money to take care of Guilford Court House National Military Park.

An appropriation of $65,000 has been secured for the survey of the Great Smoky Mountains National Park.

Probably North Carolina has been favored more in the liberal appropriations for river and harbor work (waterway improvements) than in any other manner. Allocations for this year for this work are itemized as follows:

Norfolk to Beaufort Inlet (inland waterway), $537,000.
Scuppernong River, N. C., $3,000.
Beaufort Harbor, N. C., $14,000.
Beaufort Inlet, N. C., $26,000.
Cape Fear River below Wilmington, $184,000.
Pamlico and Tar Rivers, $25,600.
Neuse River, $51,800.
Trent River, $4,200.
Waterway between Core Sound and Beaufort Harbor, $6,000.

The estimated cost of the intracoastal waterway from Beaufort to the Cape Fear River is $5,800,000, $800,000 of which amount will be available this year.

Cape Fear River above Wilmington, $9,600.
Shallotte River, $12,000.
Waccamaw River, $2,000.

Appropriations allocated for surveys of the various rivers looking to the development of power, flood control, and navigation are itemized as follows:

Santee River, which is in North and South Carolina, $3,000.
Yadkin River, $3,000.
Cape Fear River, $7,000.
Tar River, $1,000.
Neuse River, $4,500.
Meherrin River, $1,300.
Roanoke River (Virginia and North Carolina), $6,200.

North Carolina has been able to carry on very effectively in Congress by virtue of the fact that the Members of the delegation in both branches have worked in harmony.

Another matter passed at this session is the claim of the State of North Carolina against the Government amounting to $118,$35.16. This amount is due the State by the Government on account of cotton

seized during the Civil War, and on account of certain amounts of money advanced by the State during the War of 1812. The Federal Government had certain claims against the State, but when the Comptroller General of the United States was requested to set up the account between North Carolina and the Federal Government, he found that while the State of North Carolina owed money to the Federal Government that the Government also owed the State, the difference being $118,035.69 due the State.

North Carolina is taking its place along with other great States of the Union, and I can say to the people of my State that it is our purpose here in Washington to carry on, not only for the good of our State but for the common good of the whole country.

Mr. ABERNETHY. Mr. Speaker, since the delivery of the above speech the following has happened:

The bill providing for the five-year construction and maintenance program for the United States Bureau of Fisheries was not signed by the President. It will no doubt become a law in December session.

Extra veterans' legislation has been passed in substance as follows:

The President has approved an amendment to the World War veterans' act, as amended, which liberalizes in many respects the present provisions thereof.

The first section of the act provides a Federal statute of limitations on suits brought under policies of insurance issued by the Government fixing the time allowed as six years after the right accrues, with an additional year from the date of passage of the act for all suits. In computing the limitation period it is provided the time from the date of filing claim for insurance benefits to the date of disallowance of the claim by the director shall not be included. The amended section is made applicable to suits which have been heretofore reviewed under State statutes of limitation, pending suits as well as future suits.

The second section of the act provides authority in the bureau for payment of expenses of original appointments of guardians, curators, and conservators of incompetent beneficiaries. At the present time the law provides for the payment of such expenses incident to such investigation or court proceeding for the removal of a guardian, curator, or conservator who has not properly executed the duties of his trust, and the appointment of a new guardian, curator, or conservator; but it is not within the power of the director to secure the appointment of such fiduciary in the first instance and pay the expenses of the proceeding.

The section of the statute which now permits waiver of recovery from any beneficiary who, without fault on his part, receives an erroneous payment from the bureau, to permit such waivers in favor of any person, irrespective of whether the person is a beneficiary within the legal meaning of the term.

The act provides for the payment of an allowance of $107 for burial expenses where the director, in his discretion and with due regard to the circumstances of each case, may decide that such sum should be allowed, thus repealing the present language permitting the payment of burial expenses only in cases where the veteran dies indigent, unless he is receiving compensation or hospital treatment from the bureau.

Another important provision of this act authorizes the director to make contracts for the burial of veterans without advertisement for bids, and to accept the most advantageous bid even though it is not the lowest bid submitted.

A new and very liberal feature of the legislation is a provision under which compensation shall be paid to children after the age of 18 years and until completion of education or training where they are pursuing courses of instruction at schools or colleges. This allowance is to be continued until the children reach the age of 21 years or terminate their attendance at school.

The provision which now requires apportionment of compensation wherever the veteran is for any reason separated from his wife and child is amended to make the apportionment discretionary in the director rather than mandatory, as at the present time. The object is to permit the director to inquire into the reasons for the separation and to make apportionments only in those cases where the facts warrant.

A very important feature of this legislation is the extension of the present provisions in the statute limiting the time for filing claim and proof thereof. The time limits have been extended to April 6, 1930.

Widows and children of veterans who are now being paid compensation by virtue of an accrued right under the war risk insurance act, as amended, which was repealed by the World War veterans' act of June 7, 1924, are placed on a parity with widows and children of veterans who are receiving compensation under the World War veterans' act.

The amendments to the insurance provisions of the statute are very interesting and may be summarized as follows:

First. The removal of the restriction on the designation of beneficiaries for converted insurance. There will be no longer any restriction as to the class of persons who may be designated beneficiary of converted insurance, the veteran being entitled to designate or change the beneficiary in the same manner as is followed under commercial insurance policies. This will permit the naming of a trustee to take the proceeds of Government insurance.

Second. Provision is also made for the exchange of one policy for another at a lower rate of premium provided the insured is in good health, the five-year-level premium term insurance policy excepted.

Third. A very important feature of this legislation is the provision regarding the availability of uncollected compensation which may be used to revive insurance. This provision authorizes the use of compensation uncollected because of the failure to file claim within the time limit prescribed in the war risk insurance act, as amended, and the World War veterans' act, as amended, for the purpose of reviving insurance. This overrules a decision of the Comptroller General to the effect that such compensation is not available for the purpose of reviving insurance.

Fourth. A provision for direct application for converted insurance by any person who served in the military or naval service in the course of the World War, provided he is now in good health and submits evidence to that effect. Under the war risk insurance act and the World War veterans' act, applications for insurance must be made within 120 days after entrance into the military service. This amendment will permit any person who was in the military service during the World War to apply directly for United States Government life (converted) insurance irrespective of whether or not he ever has made application.

Fifth. Provision for including in the United States Government life (converted) insurance policy a provision whereby an insured who is totally disabled for a period of 12 consecutive months shall be paid disability benefits under the contract as though he were permanently and totally disabled, provided application is made by the insured for such benefits any time during the life of the contract upon proof of good health satisfactory to the director and upon payment of monthly premium necessary to cover the risk involved.

REVIEW OF CONGRESSIONAL SERVICE, SEVENTIETH CONGRESS, FIRST SESSION

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks on my own record in the present Congress.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HASTINGS. Mr. Speaker, the gavel falls and the curtain goes down upon this session of Congress on the 29th day of May, 1928, when Congress, by resolution adopted, will adjourn.

Much legislation of great importance, locally and nationally, has been considered and enacted. It is a great responsibility to represent the people of one of the splendid districts of Oklahoma and I greatly appreciate the privilege.

I regard a public office as a public trust. I desire, briefly, to enumerate some of my efforts and submit the same to the people of my district for their approval.

To properly represent my district attention must of necessity be given to the consideration of much local legislation and to many departmental matters not required of Members of Congress of some of the other States. The State is new, necessitating much attention being given to rural mail matters, road legislation, and legislation affecting agriculture. We have 33 Indian tribes in Oklahoma and about one-third of the Indians of the United States live in Oklahoma.

I have given special consideration to many matters peculiarly affecting Oklahoma, and through speeches, correspondence, and the press I am sure the people of my district are familiar with the efforts I have made in their behalf and the attention I have given to correspondence, to departmental work, to local legislation, as well as the larger questions affecting the people of the Nation as a whole.

Our State is rich in natural resources and with its citizenship drawn from every State in the Union. I have done everything possible during my service in Congress to encourage and further its development.

THE THREE MAJOR QUESTIONS

While a great deal of legislation has been enacted, the three major questions that engaged the attention of Congress during the present session were as follows:

1. Farm legislation.
2. Flood control.
3. Reduction of taxes.

AGRICULTURE—EFFORTS AT FARM LEGISLATION

Farming is the basic industry of the country. There are 6,500,000 farms, upon which approximately one-third of the entire population of the Nation live. All are dependent upon their prosperity. We have 197,000 farms in my State of Oklahoma. Every person in whatever business he may be engaged is dependent upon the prosperity of the farmer.

Farmers through the years following the World War, and more particularly those in the South and the Middle West, are in a depressed condition and should be favored with helpful and sympathetic legislation. They have lost $30,000,000,000 during the past five years in exchange values of their farm products and in the shrinkage of farm-land values. This was more than we spent in the World War. The purchasing power of the farmer's dollar in exchange value has declined to 60.3 cents. Mortgages have been foreclosed and farms sold for taxes in large numbers.

In my district in Oklahoma, in 1927, cotton was practically all destroyed by the boll weevil. The farmers pay excessive freight rates, and being a consuming class pay excessive tolls to the eastern manufacturers, because of discriminating tariff legislation.

I come into intimate touch with the farmers, and believe that from personal knowledge I know their problems. I was born and reared on a farm. I own farm land. Farming is the principal industry of my constituents. While not a member of the Committee on Agriculture, I have kept in close touch with the bill affecting agriculture, while it was pending before that committee, and joined in every effort to secure beneficial legislation for the farmers during the present session. I made an extended speech, in which I invited attention to the problems of the farmers and urged the enactment of remedial farm legislation. I called attention to the fact that the farmers needed financial assistance. They should have lower freight rates. The tariff should be reduced on necessities, so that they will not be compelled to pay such high prices for everything they buy. In my judgment the farmers are urgently in need of assistance in the control and marketing of their surplus farm products, so that they will not be compelled to dump them upon a depressed market and thereby reduce local prices to a ruinously low level.

Additional appropriations for Federal warehouses should be made and cooperative associations should be encouraged.

The efforts that I have made, through speeches on the floor, in behalf of farm legislation must be well known throughout my district.

I supported all items in the agricultural appropriation bill, and other bills, to assist either in the extermination or control of pests of various kinds, including items aggregating $5,777,800 for the extermination of the pink bollworm and $280,000 on account of insects affecting cotton, of which $10,000 is to be spent for demonstration work in Oklahoma.

I supported increased appropriations for farm bulletins, through which farmers are assisted by helpful suggestions of experts on how to produce, care for, and market their products, and advised in combating all diseases of both plant and animal life.

I supported the bill for the utilization of the plant at Muscle Shoals. Our Government during and before the war spent large sums of money on this plant, and it should be used in such a way as to compel the manufacture of the maximum quantity of fertilizer for distribution to the farmers at a low cost to aid in increasing production.

Unfortunately, because of the opposition of the Fertilizer Trust, the full use of this plant could not be secured for the manufacture of fertilizer, but it has been enlarged and experimental work authorized which, I am sure, will result in legislation at an early date directing its full use in time of peace for the manufacture of fertilizer.

The Washington Post in its leading editorial May 26, 1928, the morning after the Senate voted to sustain the President's veto of farm legislation, admitted that it would enable the producers to secure more for their farm products by saying:

> The farm-relief issue—the bill designed to rob the consumers of the United States for the benefit of the producers—has died the death.

This is the crux of the opposition to this legislation.

Four Senators who previously supported the legislation changed their votes, otherwise the Senate would have voted to override the President's veto, the final vote being 50 for and 31 against. The vote upon the passage of the bill in the House was 204 for and 117 against.

FARMERS SHOULD MARCH TO THE POLLS

Dispatches from the Middle West advise of meetings being held by farmers protesting against the presidential veto of farm legislation and of preparations being made to march upon the Kansas City convention to demand both a sympathetic nominee and a favorable platform declaration. Their enthusiasm should be maintained and not be diverted by side questions and they should march to the polls in November and vote as straight for their own best interests as the ex-service men shot during the World War.

FLOOD CONTROL

No question is of greater interest to the entire Nation nor to the State of Oklahoma than flood control.

Congress enacted comprehensive flood-control legislation during the present session and provided not only for flood control on the lower reaches of the Mississippi River but for surveys of all of the tributaries, including the Arkansas River and its tributaries.

The Arkansas River flows through the eastern part of Oklahoma and its tributaries—Illinois, Grand, Verdigris, Cimarron, Canadian, Deep Fork, and others—drain practically every county in Oklahoma.

We are vitally interested in the prevention of disastrous floods overflowing the land and rendering valueless great areas of land and at the same time destroying property of great value. The property loss from the 1927 flood, in Oklahoma, including damage to roads, bridges, crops, personal property, farm lands, and so forth, is estimated at from twenty-five to forty million dollars.

The bill passed by the present Congress authorizes the use of $5,000,000 in making a survey of the tributaries of the Mississippi, including the Arkansas and its tributaries, and directs that reports be made with the view of ascertaining the best method of flood control. We have urged the reservoir plan of flood control, which, if adopted, would result in the retention of waters in reservoirs. By impounding the water in reservoirs at strategic points it would be gradually released for water power, irrigation, and navigation purposes. This would check the ravages of disastrous floods, save millions of dollars in property from destruction and make certain the cultivation of large areas of productive land.

The survey of the Arkansas and its tributaries is soon to be begun and our hope is that reports to be made will justify a sufficient expenditure upon this river as to restore navigation and reduce freight rates, through competitive water rates, and thereby invite the location of factories and greatly add to the prosperity and population of the Arkansas Valley and the contiguous territory.

TAX-REDUCTION LEGISLATION

The first subject to engage the attention of Congress in December, 1927, was that of tax reduction. I voted for this bill. The revenues collected and the payment of interest and part of the principal due on our foreign debts were in excess of our expenditures and a reduction is justified. The money absolutely necessary to maintain the Government with rigid economy should be collected from the people, taking into consideration their wealth and their ability to pay. With this in view I favor a graduated income tax, in the first place granting liberal exemptions to the man of small wealth and beginning with a lower tax upon the man of moderate income and exacting a greater percentage from the larger incomes.

Two years ago I voted for the tax reduction bill and made a speech upon it outlining my views on the principles of taxation. I voted to increase exemptions in income-tax returns from $1,000 to $1,500 upon single persons and from $2,500 to $3,500 for heads of families and to repeal most of the excise or so-called nuisance and stamp taxes.

I supported an amendment to graduate the tax on incomes in excess of $100,000. If the theory of a graduated income tax is sound, there can be no good reason why incomes in excess of $100,000 should not contribute a larger share to the support of the Government.

The principal changes in the new tax reduction bill passed by Congress during the present session were a reduction from 13½ per cent to 12 per cent on corporation taxes, repeal of the automobile tax, and exemption of taxes on theater admissions to $3. There were also many administrative changes.

ECONOMY IN PUBLIC EXPENDITURES

Rigid economy in all public expenditures, local, State, and Federal, is one of the most important subjects before the people. A large part of our taxes are local. Comparatively few people pay any direct Federal taxes, but everyone pays a tariff tax. To reduce expenditures to a minimum is the surest way to reduce taxes. I have insistently voted against all unnecessary tax burdens. I have favored appropriations that yield returns, such as for agriculture, rural mail service, good roads, and like purposes, which I regard as investments, whereas I regard the excessive appropriations for the Army and Navy, and for like purposes, as nonproductive, and they should be closely scrutinized and reduced to the minimum.

The total expenditures of the Government during the first 15 months of Washington's administration amounted to $4,269,027. The expenditures for the coming fiscal year will aggregate $4,642,293,897.57.

We spend a thousand times as much now for the expenses of the Government in one year as during the administration of Washington.

The appropriations for the coming fiscal year for agriculture amount to $56,638,793.88, not including, of course, the $82,500,000 appropriated as Federal aid to roads, which will aggregate $139,138,793.88.

The appropriations for the coming fiscal year are as follows:

For the Interior Department	$272,656,039.00
Treasury and Post Office Departments	1,061,342,060.00
Navy Department	362,445,812.00
Agricultural Department	$139,138,793.88
First deficiency, 1928	200,936,668.02
War Department	398,517,221.50
Independent offices	527,593,111.00
State, Justice, Commerce, and Labor Departments	89,820,597.60
District of Columbia	37,625,208.00
Legislative establishment	17,746,893.26
Second deficiency, 1928	146,017,757.74

To this amount should be added $1,388,753,735.53 estimated amount of permanent and indefinite appropriations for interest on the public debt, sinking-fund requirements, and other miscellaneous permanent and fixed purposes for which annual appropriations are not required or necessary.

In addition to the direct appropriations, other expenditures have been authorized in large sums for which Congress is obligated to make future appropriations.

Contrary to the general impression gained through newspaper propaganda, intended to show that Congress is extravagant, the records show that Congress has reduced the estimates of the Bureau of the Budget on every appropriation bill, and since the Budget was created has reduced the amounts estimated or recommended for appropriation in the sum of approximately $360,000,000.

In my judgment economy does not consist in denying small increases for light and fuel to fourth-class postmasters, for appropriations to build roads where there are large areas of nontaxable Indian and public lands, and for assisting depressed farmers in the marketing of their products, and then remit $10,705,618,006.90 war debts to foreign Governments because of their alleged inability to pay.

FOREIGN DEBT SETTLEMENTS

We authorized, during the World War, loans to foreign Governments in large sums and pledged the people that these amounts should be collected in full.

I voted against all settlements with foreign Governments which canceled or remitted any part of them, principal or interest. I made an extended speech against the Italian debt settlement, which, calculated upon a 4¼ per cent interest basis, the amount we pay on our Liberty bonds, canceled $3,413,874,500, and I also made a speech against and vigorously protested the French debt settlement, not yet ratified by the French Government, which, based upon a 4¼ per cent interest basis, lost to us, or canceled, or remitted $4,527,225,895.83.

On the settlements with the 13 foreign governments, calculated upon a 4¼ per cent interest basis, according to figures prepared by the Treasury Department, we lost $10,705,618,006.90.

The following table shows (1) countries which have funded debts, (2) date of agreement, (3) amount of funded principal, (4) interest to be received, (5) total to be received including both principal and interest, (6) total that would be received if settlement had been on British basis (3–3½ per cent basis), (7) total that would be received calculated on a 4¼ per cent interest basis, (8) total canceled on 4¼ per cent interest basis, and (9) the bottom line shows (a) the aggregate amount we are to receive from all 13 countries with which settlements have been made, principal and interest, being the sum of $22,143,539,993.10, (b) the amount we should have received based on the British settlement (3–3½ per cent interest basis) being $27,819,134,000, (c) and on a 4¼ per cent interest basis, the amount of interest which our Government pays on its Liberty bonds sold to the people, the proceeds of which were loaned to the foreign governments, we should have received $32,849,158,000, (d) and that we therefore lose on a 4¼ per cent interest basis the sum of $10,705,618,006.90:

Countries	Date of agreement	Funded principal	Interest to be received	Total	Total that would be received on British basis (3–3½ per cent interest basis)	Total that would be received on 4¼ per cent interest basis	Total canceled on a 4¼ per cent interest basis
Belgium	Aug. 18, 1925	$417,780,000.00	$310,050,500.00	$727,830,500.00	$1,041,597,000.00	$1,191,052,000.00	$463,221,500.00
Czechoslovakia	Oct. 13, 1925	115,000,000.00	[1] 197,811,433.88	312,811,433.88	252,890,000.00	327,854,000.00	15,042,566.12
Estonia	Oct. 28, 1925	13,830,000.00	19,501,140.00	33,331,140.00	[1] 33,331,000.00	39,428,000.00	6,096,860.00
Finland	May 1, 1923	9,000,000.00	12,695,055.00	21,695,055.00	[1] 21,695,000.00	25,658,000.00	3,962,945.00
France	Apr. 29, 1926	4,025,000,000.00	2,822,674,104.17	6,847,674,104.17	9,708,825,000.00	11,474,900,000.00	4,627,225,895.83
Great Britain	June 19, 1923	4,600,000,000.00	6,505,965,000.00	11,105,965,000.00	[1] 11,105,965,000.00	13,114,172,000.00	2,008,207,000.00
Hungary	Apr. 25, 1924	1,939,000.00	2,754,240.00	4,693,240.00	[1] 4,693,000.00	5,538,000.00	834,760.00
Italy	Nov. 14, 1925	2,042,000,000.00	365,677,500.00	2,407,677,500.00	4,923,820,000.00	5,821,552,000.00	3,413,874,500.00
Latvia	Sept. 24, 1925	5,775,000.00	8,183,635.00	13,958,635.00	[1] 13,959,000.00	16,464,000.00	2,505,365.00
Lithuania	Sept. 22, 1924	6,030,000.00	8,501,940.00	14,531,940.00	[1] 14,532,000.00	17,191,000.00	2,659,060.00
Poland	Nov. 14, 1924	178,560,000.00	257,127,550.00	435,687,550.00	[1] 435,688,000.00	509,058,000.00	73,360,450.00
Rumania	Dec. 4, 1924	44,590,000.00	[1] 77,916,260.00	122,506,260.05	107,488,000.00	127,122,000.00	4,615,739.95
Yugoslavia	May 3, 1926	62,850,000.00	32,327,635.00	95,177,635.00	154,651,000.00	179,179,000.00	84,001,365.00
Total		11,522,354,000.00	10,621,185,993.10	22,143,539,993.10	27,819,134,000.00	32,849,158,000.00	10,705,618,006.90

[1] Settlement made on British basis.

SOLDIER LEGISLATION

I have always given sympathetic consideration to all legislation in the interest of the ex-service men. I favored an extension of time for the filing of disability claims, and supported the provision making it conclusive that the contracting of tuberculosis within six years was of service origin.

Congress enacted some additional legislation during the past session, making provision for hospitalization, extending the time for conversion of insurance, and extending the time for vocational training and liberalizing the law with reference to filing of claims for compensation. All of such legislation has been considered under suspension of the rules when it could not be amended nor could it be discussed in detail and we were compelled to vote for it without change.

I supported the bill which liberalized the law and gave increased pensions to Spanish-American War veterans. They had been discriminated against in all of the pension legislation. I voted for the increase of pensions for widows of Civil War veterans. I have endeavored, through correspondence, and by personal calls, to render every assistance and to secure expeditious action upon all claims of ex-service men of my district and many of them have been adjusted and compensation allowed. There are many inequalities in the law which should be corrected by legislation and Congress, if an opportunity is given to discuss and amend bills affecting ex-service men, not under suspension of the rules, but under the general rules of the House, where the same may be amended and discussed in detail, will correct all inequalities.

Legislation was enacted authorizing additional appropriations for hospital purposes and the time was extended for filing claims for compensation to April 6, 1930. Under this legislation insurance may be converted and lapsed insurance may be reinstated.

HOSPITAL AT MUSKOGEE

The United States Veterans' Bureau Hospital No. 90 at Muskogee was purchased from the State, and later the municipal hospital was purchased from the city of Muskogee. I actively assisted in securing appropriations for these purchases. This hospital is ideally located, is adequate and well equipped to care for the needs of the ex-service men and others eligible to admission from the area which it serves.

PUBLIC BUILDING AT OKMULGEE

I cooperated in securing a public building for Okmulgee. An appropriation is carried in the second deficiency bill to purchase a site and to begin its construction.

An amendment which I offered to a pending court bill approved February 16, 1925, secured to Okmulgee a place for holding Federal court.

In the division of the Federal court district in eastern Oklahoma we were successful in having an equal division of the busi-

ness and area made. With the recent addition of Okfuskee County to the Eastern Judicial District it now embraces 31 counties.

ROAD LEGISLATION

The enactment of the act of July 11, 1916, authorizing Federal cooperation in the building of roads has greatly added to the enthusiasm for building roads throughout the country. I made a speech in favor of it and have supported all subsequent appropriations for Federal aid to roads.

Oklahoma was admitted to statehood November 16, 1907. The eastern half was composed of lands formerly occupied by the Five Civilized Tribes of Indians. The land had only recently been surveyed and allotted to the Indians. The roads had not been improved, but since then we have had a revolution in road building.

I introduced the original bill, H. R. 4971, which provided that "the nontaxable Indian lands, individual and tribal," should be placed in the same class with the nontaxable unappropriated lands in the western States. This bill finally became section 4 of the act of February 12, 1925, which is as follows:

SEC. 4. That section 11 of the Federal highway act approved November 9, 1921, as amended and approved by the acts of June 19, 1922, and June 30, 1923, is further amended by inserting after each place where the words "unappropriated public lands" occur, the words "and nontaxable Indian lands, individual and tribal."

This provision is important to Oklahoma because it authorizes the Government to pay a larger proportionate share of the costs of road construction where more than 5 per cent of its lands are either public or nontaxable Indian lands. The appropriation to carry this provision into effect was vetoed by the President, although he favored and signed an appropriation bill carrying items aggregating $5,197,294 for the repair of the roads in Vermont, New Hampshire, and Kentucky. One was for the benefit of the East, the other for the West.

RURAL MAIL SERVICE

The farmers are rendered no more important service than by rural mail. This service was started in an experimental way in 1896. It has been extended to the most remote parts of the country and on May 1, 1928, there were 44,370 rural mail routes. I have communicated with the postmasters and rural carriers in my district offering assistance and cooperation in bettering the mail facilities of the district.

I voted for the bill to provide for a 10 per cent increase of compensation for night work by postal employees and also for the bill granting allowances for rent, fuel, light, and equipment for fourth-class postmasters. I voted for the bill to reduce postal rates.

As roads are improved and all the smaller streams bridged I hope to see rural routes gridiron the second district so as to afford complete mail facilities to every rural community.

The item in the Post Office Department appropriation bill for the coming fiscal year for the rural mail service amounts to $106,000,000.

When I first came to Congress it was $53,000,000. I voted for every increase and this service has been greatly extended and expanded.

In addition I have been active in helping to secure the installation of village delivery in the smaller cities of my district.

RURAL CREDITS

I was a member of the Banking and Currency Committee of the House in 1916 and assisted in the preparation and passage of the rural credits bill of July 17, 1916. This was a great piece of constructive legislation.

I prepared and introduced a bill during the present session, H. R. 6068, as an amendment to section 15 of the act of Congress of 1916 authorizing the appointment of local agents to represent farm-land banks in initiating and supervising loans to farmers in those localities where local associations have not been organized, or if organized, are not functioning properly.

This is a very important amendment. At the last session the members of the Farm Loan Board, in a written report, and in a hearing before the subcommittee of the Banking and Currency Committee approved it. It has been recommended by the presidents of all 12 of the farm-land banks. Its enactment would greatly expedite action upon applications for loans, popularize the law, enable loans to be made direct, through agents, having about the same authority as the secretary-treasurer of a local loan association now has, and about the same authority that an agent for a mortgage company has and will permit farmers to borrow money at 5 per cent interest payable upon the amortization plan, by adding 1 per cent interest applied to the reduction of the principal, which would pay the principal in 36 years. This would enable the farmers to liquidate their present indebtedness and greatly assist them in acquiring homes.

Under the 1916 law $1,463,918,114 has been loaned to the farmers of the country.

I made a speech emphasizing the importance of this amendment and again submitted it to the Banking and Currency Committee.

In my judgment, with the adoption of this amendment the law would be made more workable and would enable many more farmers to take advantage of its provisions and would greatly reduce the number of tenant farmers.

SURETY BONDS TO PROTECT INDIVIDUAL DEPOSITORS

I introduced and made a speech in favor of a bill (H. R. 11119) to require all banks, national and State, members of the Federal reserve system, to furnish bonds for the protection of their general depositors.

Three thousand nine hundred and forty-one banks failed in the past eight years, with a deposit liability of $1,185,503,104. Two-thirds of these failures, or 2,818, were in 12 agricultural States, due largely to depressed condition of the farmers.

If it is necessary or desirable to require banks to protect public deposits—Federal, State, school, Indian, and municipal—why should not protection be required for the individual depositor? You can not satisfactorily answer that question in the negative.

IMMIGRATION

During the consideration of the immigration bill four years ago I earnestly supported the bill and made a speech in favor of its enactment. The number of immigrants thereby admitted was reduced to 164,000. In 1907 about 1,285,349 immigrants were admitted. No person should be admitted who is not desirous or capable of becoming a patriotic American citizen, obedient to the laws of our country, and loyal to our flag.

During the last session I supported amendments designed to strengthen the immigration laws and expedite the deportation of those undesirable aliens guilty of violations of the law amounting to a felony. During the present session provision was made giving a preference of admission in the quota class of very near relatives of American citizens, including husband or wife and father and mother.

INDIAN LEGISLATION

Congress has enacted much legislation during the past few years affecting the Indians in Oklahoma, and I have supported all measures looking to the winding up of their affairs at an early date. No additional legislation is necessary, and it is now a question of administration. The Five Civilized Tribes had 101,506 allottees. A recent enumeration shows that of these 9,841 restricted allottees, either in whole or in part, are living.

A. APPROPRIATIONS FOR THE INDIAN SERVICE

The appropriations for the Indian Service are carried in the Interior Department appropriation bill. That for the superintendent for the Five Civilized Tribes is found in a lump-sum appropriation of $820,000. Approximately $2,129,272.58 is annually expended, in the aggregate, in Oklahoma from Federal and tribal funds for all purposes; for administration, schools and hospitals. Of this amount, $1,085,337 is for schools and hospitals. From the Choctaw and Chickasaw tribal funds for boarding schools $165,387, from the Seminole tribal funds $22,706, from the Federal Treasury for the Sequoyah Orphan Training School $105,000, for the Eufaula Indian School $39,500, for the Euchee (Creek) Indian School $35,900, for the Indian school at Chilocco $286,500, for the Seneca Indian School, central heating plant, $35,000, and maintenance $53,344, total $88,344, for the Haskell Institute $247,500—40 per cent of the attendance being from Oklahoma—$99,000, and $150,000 in aid of rural public schools, for Claremore Hospital $50,000, and for the Choctaw and Chickasaw Hospital at Talihina $43,000.

I have favored these appropriations and assisted in securing a larger annual appropriation of $300,000 for rural schools for a number of years. We hope to make such a showing as will justify a larger contribution out of the Federal Treasury in aid of public schools.

B. JURISDICTIONAL BILLS

During my service Congress has enacted legislation to permit each of the Five Civilized Tribes to bring suit in the Court of Claims, with the right of appeal by either party, on all claims that each tribe may have against the Government. I prepared and reported the jurisdictional bills for the Cherokees and Creeks and assisted in the enactment of the bills for the other tribes. These cases are now being filed and are in process of adjudication.

C. CHOCTAW AND CHICKASAW PER CAPITA PAYMENTS AUTHORIZED

I assisted in securing an amendment to the Indian appropriation bill, approved February 14, 1920, authorizing the Secretary of the Interior to make per capita payments to the Choctaw and Chickasaw Indians out of their tribal funds. No further legislation is necessary when funds are available for that purpose.

D. LEGISLATION TO QUIET TITLE TO INDIAN LANDS

Congress passed the act of April 12, 1926, commonly known as one to quiet title to Indian lands of the Five Civilized Tribes in Oklahoma, which bill I prepared and reported. It makes conclusive the jurisdiction of the county courts invoked by full-blood heirs of deceased allottees in the approval of conveyances and will prevent much litigation as to these lands.

After a period of two years it put in force the statutes of limitations in all matters where restricted Indians are interested. The law is now in full operation. It also provides for notice and makes the Government a party in all suits pending in the State courts where restricted Indians are parties and makes the final judgment binding upon the Government. It is of great importance to eastern Oklahoma, and will have the effect of quieting title, preventing vexatious lawsuits, result in greater devolpment of these lands and, as a consequence, add value to the lands of eastern Oklahoma.

CONSTITUTIONAL AMENDMENT

I introduced in the House House Joint Resolution 70 proposing an amendment to the Constitution of the United States empowering the President to veto separate items of any appropriation bill passed by Congress.

Many of the States have such amendments in their constitutions. I wrote the governors of all the States and, without exception, they commended this proposed amendment. I made a speech in the House in support of it.

The necessity for the submission of this amendment grows out of the abuse of either holding up consideration of appropriation bills in the Senate during the closing hours of Congress or of forcing the acceptance of riders of doubtful merit. This would disarm any Member of the Senate from filibustering in the closing days of a session because this amendment would give the President power to veto any separate item in a bill.

This amendment is in the interest of economy. No objections have been expressed to it in the House except the general reluctance to amend the Constitution.

RULES AMENDED

When I first came to Congress it was with great difficulty that consideration could be secured of purely local bills after they had been favorably reported by committees and placed upon the calendar. Oklahoma required much local legislation. I prepared, introduced, and assisted in having an amendment adopted to this rule, requiring three objections upon the second call of such bills upon the Consent Calendar. This has worked a revolution in the House. It is the most important rule adopted in years. It has resulted in the House being able to consider and act upon much local legislation. Everyone now approves the change in the rules. Prior to the adoption of this change in the rule, consideration of a purely local bill could not be obtained except by unanimous consent or by call of the committee which reported the bill on Calendar Wednesday, and many of these committees are not reached for Calendar Wednesday call during an entire session.

SPEECHES

It is almost a physical impossibility for a Member of Congress to keep up with all the bills introduced in Congress. He, of course, is expected to be familiar with those reported by the committees of which he is a member, and every Member attempts to familiarize himself with bills of general importance throughout the entire country and especially with those which affect his district and State.

I promised my constituents that I would do this, and I have tried to keep that pledge.

In addition to participating in general debate upon a large number of matters, I have made a study of and have made speeches in the House upon the following subjects:

1. Speech analyzing and discussing in detail farm problems, showing loss in exchange value of farm products, shrinkage in value of farm lands, and discussing and analyzing remedies.

2. Flood control: (a) Speech emphasizing the necessity for flood control; (b) urging legislation for the Arkansas River and its tributaries; (c) inviting attention to the reservoir plan; (d) advantages of navigation in lowering freight rates.

3. Tax-reduction legislation: (a) Views outlined on principles of taxation; (b) increased exemptions upon the small-income taxpayers, and advocating the collection of a larger percentage from those having the ability to pay.

4. Constitutional amendment: (a) Speech urging, in the interest of economy, constitutional amendment authorizing the President to veto separate items of appropriation bills; (b) citing letters from governors of many States indorsing the proposed amendment.

5. Post Office appropriation bill: Showing increase in appropriation for rural mail service and its importance emphasized.

6. Interior Department appropriation bill: (a) Items affecting the Indian Service and schools in Oklahoma analyzed; (b) expedition in winding up of affairs of Five Civilized Tribes urged.

7. Tariff legislation: (a) Showing it is of no benefit to the farmers; (b) showing Tariff Commission political football; (c) principles analyzed and discussed.

8. Civil service evaded and merit system disregarded through the Southern States, common in Oklahoma.

9. Speech in support of bill urging surety bonds to protect depositors.

10. Speech in support of amendment to rural credits bill, providing for appointment of local agents for farm land banks.

11. Speech in support of increases of pensions for Spanish-American War veterans, and bill to increase pensions of widows of soldiers of the Civil War.

12. Speech in support of Federal aid to roads: (a) Road building and financing in Oklahoma explained; (b) nontaxable Indian lands considered, and showing discrimination in appropriation for repair of roads in Vermont, New Hampshire, and Kentucky, which is not applied to all States.

13. Speech urging sympathetic legislation in behalf of ex-service men.

14. Many speeches and remarks on various bills and pending amendments.

DEPARTMENTAL WORK AND CORRESPONDENCE

We feel justified in inviting attention to our familiarity with departmental work and have made an effort to give diligent attention to all such matters. Our rule is to answer every letter and telegram the day it is received unless delay is occasioned in getting information from or action by the departments. There are many requests and inquiries with reference to the approval and assignment of oil and gas leases forwarded to the department here, the removal of restrictions on Indian lands, letters from ex-service men with reference to applications for compensation and hospitalization, applications for pensions and increases of pensions for soldiers of all wars, petitions for the establishment of rural mail routes and changes in existing routes, and letters, petitions, and telegrams with reference to innumerable bills pending in Congress, some favoring legislation and others protesting against it.

NUMBER OF BILLS INTRODUCED

In order that my constituents may know something of the number of bills pending in Congress with which a Member must keep in touch and with which he must familiarize himself, there were introduced in the Senate during this session 4,600 bills and in the House 14,143 bills. In addition to these bills a large number of resolutions were introduced. Of these 993 bills were enacted into law.

These bills and resolutions are referred to appropriate committees, and by the committees referred to the various departments affected for report. Later they are returned to the committees for consideration and report and a great many of them placed upon the calendars of the House. Each Member must make some examination and study of them and of the hearings and reports on the more important bills. Inquiries are made of us, however, on many bills which are introduced which have not been reported upon by the committees.

A large number of private pension bills were passed in omnibus bills, which would greatly increase the number of bills enacted into law during the present session.

COMMITTEE ASSIGNMENTS—APPROPRIATIONS

Since coming to Congress I have had the experience of service on the following committees of the House:

Banking and Currency; Indian Affairs; Accounts; chairman of Committee on Expenditures in the Interior Department; and Education.

I am now promoted to a place on the Committee on Appropriations, which prepares and recommends all of the appropriations for the Federal Government. Many regard this as the leading committee of Congress.

I was assigned as a member of the subcommittee to prepare and report the Interior Department appropriation bill, which carries all the appropriations for the activities of that department, including public lands, pensions, the Indian service, irrigation and reclamation, national parks, education, the geological survey, and other miscellaneous items expended under the supervision of the Interior Department.

CONCLUSION

(1) The individual record of each candidate should be studied, and (2) the right of franchise exercised by every eligible voter.

I invite attention to and make this record of some of my activities during the present session of Congress, peculiarly affecting the people of my district as well as the Nation as a whole, for two reasons: First, because the people who commissioned me to represent them are entitled to know what their Representative has accomplished and his position on all public questions; and second, in order to afford no opportunity for anyone to misstate my position on public questions.

I have worked in entire harmony with the other members of the Oklahoma delegation in both the House and the Senate and have had their hearty cooperation, assistance, and active support.

I submit this record to the people of my district for their information and consideration with the confident hope that it will meet with their approval.

Let me emphasize that every citizen of the Nation should carefully study the individual record of each Member of Congress in order to form a correct opinion as to his knowledge of conditions, his sympathy with the needs of the people, his ability, experience, and fitness to represent them and should not fail or hesitate to exercise the right of franchise both in the primary and general election. When every citizen—not 51 per cent of them—goes to the polls and votes for his best interests and that of his children, and not his prejudices, his views will be reflected in Congress.

RECORD IN CONGRESS

Mr. BOX. Mr. Speaker, I ask unanimous consent to extend my remarks concerning my own record.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BOX. Mr. Speaker, the CONGRESSIONAL RECORD and the official journals which preceded it in the early days of the Republic have been published and distributed since the beginning of the Government in order to help the people know what their Representatives and Senators have been doing in Congress, but the number of copies of the RECORD printed at public expense is limited to about 60 for the people of each congressional district. The second district of Texas contains at least 400,000 people and about 75,000 voters. In order that more of them may read from the RECORD itself something of the part which I as their Representative have had in the work of Congress while serving them, I present a collection of portions of official statements and reports of House committees and the record of Congress dealing with important questions which have been before Congress:

EIGHTEENTH AMENDMENT AND PROHIBITION STATUTES

Wednesday, January 20, 1926

Mr. BOX. Mr. Chairman and gentlemen, last Saturday was, I believe, the sixth anniversary of the issuance of the certificate of the Secretary of State showing the adoption of the eighteenth amendment to the Constitution of the United States. As an individual Member of this House and one of its Committee on the Alcoholic Liquor Traffic, I am glad to join others in some reflections pertinent thereto.

The eighteenth amendment and the statutes based thereon officially declare the national will. The conflict of that purpose with the intent of those who are resisting and violating this part of the Constitution and laws presents a subject worthy of thoughtful discussion. The determination declared by these provisions was and is neither sudden nor transitory. I doubt if there is a statute in our code or a clause in our Nation's charter which was longer in the process of consideration and formation or more maturely and thoroughly fixed in the intent of the people. Few, if any, amendments were ratified by so nearly all of the States.

The will they express is especially democratic and American in spirit because it did not proceed from the Government down toward the people, but from the people up to the Government. Congress and the State legislatures did not force this on the people. The public will drove it through the State capitals and Washington. It began in the country townships, school districts, precincts, and counties, extended to the smaller towns and cities, and on upward through the larger centers of population. It covered State after State. This is a people's movement, not in any buncombe sense, but truly.

The present issue between the Constitution and law on one part and insubordination and lawlessness on the other was not created by prohibition. Constitutional and statutory prohibition developed as a defensive measure, adopted by American society for the purpose of protecting itself from violence to its welfare which was old and ever grew worse. The traffic in intoxicants and the promiscuous use of them have been a menace to individual and collective mankind since order and organization began to be established among men. The first serious disturbance after the adoption of our country's Constitution arose when the young Nation's great fiscal needs required that Congress levy a small tax on distilled liquors, whereupon the "whisky insurrection" burst out, and General Washington had to send an army to quell the sedition. Since then there have been hosts of moonshiners in the mountains, in the blackjack brush, and in the cities.

The saloon at the crossroads, in the country town, and in the metropolis has been the center where gamblers, criminals, and tough men and women of every sort gathered to find congenial surroundings, companions, and cooperation. All who hated and dreaded wholesome police law found a haven and stimulation there. Political corruption, miscellaneous crime, and their devotees gathered in and about them and went out upon the community, until the people, having, with restrained indignation endured much, determined that these depots and rendezvous of indecency, debauchery, and crime should no longer exist among them. No change in the name or form of the traffic would alter its malignant character or check its baleful work.

As our numbers and wealth increased, as our cities enlarged, as the complication and speed of our living were intensified, this lawlessness, always too strong in America, grew worse. This was augmented by the coming of many who had never learned, and therefore never loved, the orderly ways of the best American life. Therefore, under continued and increasing provocation and necessity, American public opinion fixed itself in substantial form, decreeing that the traffic's shameful course shall end.

The measure adopted is a valid one. The contention that the eighteenth amendment is unconstitutional never embodied anything but the absurd proposition that it is unconstitutional to amend the Constitution in a way provided by the Constitution and usually followed from the first in adopting amendments. But whatever excuse for haggling might have been hatched up at first, that same constitutional and nation-tried usage provided a forum for the settlement of all controversies. Whether flimsy or bona fide, they can be presented, heard, and settled for all who are willing to stop short of sedition or revolution. When the Supreme Court spoke, the question whether the national will thus sustained should be obeyed was no longer an open one among good Americans.

That stage being reached, what are the parties to this conflict of purpose to do? Let me ask another question: If the statute, the Constitution, and the adjudication of the Supreme Court are not to be obeyed or enforced, what next? Sedition is next, banditry, irregular warfare; a condition in which low-browed criminals with high-powered cars and rapid-fire guns and the unfortunate victims of appetite as patrons will disturb the peace and disgrace this period of our history; a condition such as they often have in Mexico and Haiti and other regions where disorder rules, where property and life are not safe, and where violence and chaos reign.

If violence breaks down the Constitution at one point, all its friends and all interests protected by it know that it can be broken at other points, and that each successive breaking will be easier. It will need only aggressive, persistent, numerous enemies. The collective public will, being once enervated and overcome, will not sustain it. It is our barrier against chaos. It restrains the enemies of property, the destroyers of life, the disturbers of society's peace. Think of our joining or acquiescing in the destruction of the mainstay of all our worthwhile institutions! Think of wealthy people outraging and weakening the sole defender of their property! Think of the poor tearing up the charter of their liberty! Think of native Americans demolishing the tallest and noblest monument of the patriotism and wisdom of their fathers! Think of newcomers wrecking the framework and the underpinning of the house which shelters them after their escape from the wretchedness of Europe!

We are at present in a state of conflict between the will of American society, expressed in its Constitution and law, and the purpose of those who, "with hearts regardless of social duties," are "fatally bent on mischief." The conflict is not new. This is merely the latest and most acute stage of an old and progressive antagonism between the legally declared will of American society and those who, for unworthy ends, resist their country's will as embodied in its Constitution and laws.

What of the future? Those who have resisted must obey or confess their sedition and expect to feel the country's heavy hand upon them.

What of the attitude of the great majority, whose will, expressed in a valid, constitutional, American way, is become the law of the land? That law will prevail if the land is to be ruled by law. The majority knows that all efforts at restraint have failed to control this spiteful, aggressive, defiant social evil. We know that to return to the long-tried and discarded efforts to regulate the traffic is impossible. We know that crime is in its very nature and can not be separated from it, and that the only way to avoid an unending, sickening conflict with this ugly social and political menace, so long as it lives, is to let its sway be undisturbed. A thing unthinkable. [Applause.]

There is no common ground on which these antagonistic purposes can be compromised. No repeal or modification of these statutes to meet the views of those who oppose their purpose—to accommodate the law to the views and interests of distillers, brewers, moonshiners, rum runners, bootleggers, and their patrons and defenders—will harmonize with the national purpose declared in the eighteenth amendment to the Constitution.

The present acute, disquieting state of society's effort to protect itself is but a stage of an antagonism which will continue so long as the evil exists in any form and society has any will to protect itself.

Mr. LOWERY. Mr. Chairman, will the gentleman yield for a question?

Mr. BOX. Yes.

Mr. LOWERY. Has not prohibition, since it has been adopted, prohibited better than attempted regulation succeeded in regulating?

Mr. BOX. Yes; I think so. But there is difficulty enough in connection with both. I believe the gentleman is correct; but I would, if I could, remind those who are at war with the Constitution that they have no right to engage in such war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BOX. May I have a little more time; say, five minutes?

Mr. AYRES. Mr. Chairman, I yield to the gentleman five minutes additional.

The CHAIRMAN. The gentleman from Texas is recognized for five additional minutes.

Mr. BOX. In spite of a sinister and misleading propaganda, the American purpose is unshaken. This is shown in many ways. Among them is the election of the personnel of this House. From three out of every four of the congressional districts of the United States there come, and will continue to come, men whose votes sustain the American purpose. There are about three dry districts for every wet one. Hear it; you who oppose your country's Constitution and laws and seek to set them at naught! A minority of constituencies of a certain type, and many individuals of a certain type in all of them, hope that America will abandon its struggle with the social enemy. It will not!

How can any man in official position, here or elsewhere, who is under heart allegiance or oath-fixed obligation to the Constitution encourage sedition against it? I hope we shall hear less and less of that; but whether we have more or less of it, the purpose of America is fixed, and sooner or later it will be accomplished. If I could make my suggestion reach over the Nation, I would call upon it to speed the accomplishment of that purpose by measures which are characteristic of the country's vigor. [Applause.]

Mr. HASTINGS. Will the gentleman yield?

Mr. BOX. Yes.

Mr. HASTINGS. Does not the gentleman think that when the Prohibition Enforcement Unit adopts the policy of appointing men throughout the country in real sympathy with this legislation instead of making political appointments we shall have a better enforcement of the prohibition law?

Mr. BOX. I think there is great force in the suggestion the gentleman makes. The ends of political patronage often seem to be uppermost in the minds of the administration in making these appointments. The politicians dictating them are not usually in either branch of Congress; but in the executive department and in the national and State machines, outside of Congress.

Mr. HASTINGS. Does not the gentleman know that the civil service law is disregarded in every branch of this Government and particularly in the Post Office Department, and does not the gentleman know that there is no regard whatever paid to the civil service law in the appointment of postmasters or rural carriers throughout the country?

Mr. BOX. The gentleman has some suspicion in that direction; indeed he knows that to a great extent it is true.

Mr. HASTINGS. I will say, without fear of successful contradiction, that every appointment made in my district is a political appointment.

Mr. GREEN of Florida. Will the gentleman yield to me?

Mr. BOX. Yes.

Mr. GREEN of Florida. Does not the gentleman believe that foreign diplomats and any other foreigners who come to America should have to abide by the American Constitution while they are here?

Mr. BOX. Yes; and I believe that we, native born and newcomers, must ourselves obey or be forced to obey. [Applause.]

The difficulties are great, but the salutary purpose which prompted prohibition, respect for the Constitution as the mainstay of order, and the dignity and self-respect of the Nation, require vigorous enforcement of this law against the present wholesale violation of it. The United States Government has the power to enforce it. If the Government fails to enforce it, the failure will be due to unwillingness or weakness. (CONGRESSIOAL RECORD, January 20, 1926, pp. 2443–2444.)

OPPOSING PROPOSITION TO EXEMPT LARGE BODIES OF CUT-OVER LANDS FROM STATE, COUNTY, AND OTHER TAXATION

Mr. BOX. I believe in reforestation by letting nature reproduce timber, unhindered by forest fires and other destructive forces turned loose by carelessness and disregard for the future; but to exempt from county, State, and other local taxes large bodies of land owned mainly by nonresidents and let them stand for decades, used by private owners for grazing, mineral, and other valuable uses, leaving the share of taxes which should be paid on such lands to be paid by small farmers, merchants, business men and others, is unsound and oppressive.

Section 7 of the bill pending in the House at the time the following discussion occurred provided:

SEC. 7. That to enable owners of lands chiefly valuable for the growing of timber crops to donate or devise such lands to the United States in order to assure future timber supplies * * * subject to such reservations by the donor of the present stand of merchantable timber or of mineral, grazing, or other rights as the Secretary of Agriculture may find to be reasonable and not detrimental to the purposes of this section * * *. Any lands to which title is so accepted shall be in units of such size or so located as to be capable of economical administration as national forests either separately or jointly with other lands acquired under this section, * * *

and contained other provisions in harmony with those quoted.

These provisions opened a way for the establishment of such a system by passing the apparent title to such lands to the United States Government while the owners retained many beneficial interests and had other advantages which space will not permit me to explain. For these reasons I moved to strike section 7 from the bill then pending. I quote from the CONGRESSIONAL RECORD, showing a part of the discussion of this proposition:

Mr. BOX. Mr. Chairman, I move to strike out section 7.

Mr. OLIVER of Alabama. Mr. Chairman, I have a perfecting amendment.

The CHAIRMAN. That will be considered as pending. The perfecting amendments will have the preference.

Mr. WATKINS. I have a perfecting amendment.

The CHAIRMAN. There is an amendment pending, that of the gentleman from Utah [Mr. LEATHERWOOD].

Mr. WATKINS. I have a substitute at the Clerk's desk.

The CHAIRMAN. The gentleman from Texas [Mr. BOX] is entitled to recognition if he desires it.

Mr. BOX. Mr. Chairman, I want to discuss the amendment and let it be pending.

I call the attention of the House to what appears to me to be a very serious element in this paragraph. With the purposes of the bill I am in full accord. The effect of this paragraph, however, seems to be to enable the owner of privately owned lands to denude them and then convey them to the Government, retaining the grazing, mineral, and timber rights, and thereafter have the Government reforest them. I think the effect of the paragraph as it is now written would be to let the Government be the owner of the timber reproduced by it. I am not sure about that. But the effect, I think, necessarily results that these bodies of land, that have been constituting half or three-fourths of the lands in some of the counties in the timber belt now subject to taxation, would thereby be withdrawn from the power of the State and local authorities to tax them, and correspondingly burden the small farms and all other taxable property in the counties. The men who own other small farms and small bits of property would have to pay the taxes necessary for the construction and maintenance of roads, bridges, and for all other municipal purposes. The financial effect on those counties having a great part of their property consisting of cut-over lands, many of them valuable for purposes of cultivation, would be that all those lands would be withdrawn from taxation and the local authorities left without power to tax them, forcing a corresponding increase in the taxes on other taxable property in the counties.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BOX. Yes.

Mr. MOORE of Virginia. Does the gentleman know of anybody who ever made an investigation for the purpose of forecasting to what extent the privately owned lands of the country will be put in the position you indicate in case this section should be adopted?

Mr. BOX. I have no accurate information on that subject. I know that the amount of such land is very large. I think I know that there are counties in my State where three-fourths of the lands in a county are thus owned. I think the effect would be to bankrupt all counties in timber belts such as that or burden other taxpayers ruinously.

Mr. LEAVITT. Mr. Chairman, will the gentleman yield?

Mr. BOX. Yes.

Mr. LEAVITT. Has the gentleman noticed at the beginning of section 7 that these lands must be chiefly valuable for the growing of timber crops? They would not include agricultural lands.

Mr. BOX. It would include many. Whether or not a particular parcel of land would or would not be included will depend upon what estimate men may make of present and future values. One man might think the chief value would be to put the land under cultivation now, whereas another might prefer to let the timber grow for a hundred years. While I believe in reforestation, and that the purposes of this bill are wise, I hope it will be put in such shape that we can all vote for it. I believe we are guilty of a crime against posterity in the manner in which we are allowing our forests to go to ruin. That is an unpardonable blunder. But I insist that this section contains a serious vice which should be eliminated.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. BOX. Yes.

Mr. CLARKE of New York. I suggest that if these lands are worthless, nobody would pay taxes on them, would they?

Mr. BOX. They are not worthless. They are the source from which much of the revenue of some counties now comes to the small counties in the timber belt. If the timber is cut off, many of the big companies will not sell their lands after the timber is cut off. They hold them for speculative purposes or for their families during succeeding generations.

Mr. CLARKE of New York. If the State or Government promotes the growth of timber there, under the policy of the Government 25 per cent of the gross revenue derived from the receipts of the national forests will go back to those States.

Mr. BOX. There will be no revenue, as I see it, from these lands. The private owner retains the grazing rights and the mineral rights, which are in many cases prospective, so that they can not now be taxed to any substantial extent, but they may in the future become very valuable. For instance, in my territory we are finding great oil fields. Individuals or corporations will pay no taxes on oil undiscovered.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BOX. May I have five additional minutes?

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Will the gentleman yield?

Mr. BOX. Yes.

Mr. BLANTON. Is it not a fact that most of these owners are nonresidents who sometimes live several thousand miles away from the land?

Mr. BOX. A great many of them are, and few of them live in the counties where the lands are located. Some are unwilling to help bear the burden of the cost of improving the roads, which add value to their land. They allow a scattered, growing population to make these improvements for them and thereby increase the values of their property. Under the provisions of section 7 it is possible for them to hold all substantial value in the lands without paying tax on them.

I insist that the Members of this House consider this proposition before they vote to retain section 7 as it now is.

Mr. KINCHELOE. Will the gentleman yield?

Mr. BOX. Yes.

Mr. KINCHELOE. If those lands are as valuable as the gentleman says they are—and I am sure they are—they would not donate them to the Government.

Mr. BOX. They will donate the land to the Government where they have cut away the timber, worth $50 or $100 per acre. The land is now worth from $5 to $10, but in 20 or 30 years it may be worth much more because of the timber, which will grow; and oil or other mineral may be found and the land made vastly more valuable. They hold them now. Under this clause they may escape taxation and speculate on what the future may develop without carrying a burden they now carry. These large landowners are not given to making donations for the interest of Uncle Sam. He gets the worst of his dealing with them. "Beware of Greeks bearing gifts."

Mr. BLANTON. And because of the oil and minerals.

Mr. KINCHELOE. If that be true, I do not believe these people would give the land to the Government.

Mr. BOX. The Government is to grow timber on these same lands, and the present owners are to retain the present timber—that is, the young timber which is good for piling, for mine props, and for wood and every other purpose. That will all be mixed up with the other timber which the Government is to grow on the same lands, which are to be thus exempted from taxation. It is a very serious matter for some of my people and for other sections. This proposition should be given serious consideration by the Members of the House.

Mr. CARTER. Will the gentleman yield?

Mr. BOX. Yes.

Mr. CARTER. As a matter of fact, is it not a fact that under section 7 practically everything of value in connection with the land that may be devised is retained in the owner by this reservation in the bill, and there is nothing of value to be transferred to the Federal Government?

Mr. BOX. Nothing of present productive value.

Mr. CARTER. That is it. The grazing and mineral, or other rights, as the Secretary of Agriculture may find to be reasonable, are all retained, so that the effect of it would be, it seems to me, that the owners of the land would be permitted to shift the burden of taxation over on the Federal Government and yet retain everything of value in the land. In other words, they would keep everything the hen laid except the shell?

Mr. BOX. Yes; and they would hold the land for speculative purposes, for the growth and development of these elements which now have little or no taxable value, but which have great prospective value, and the local authorities will be unable to derive any considerable amount of revenue from timber that is to be merchantable 50 years hence, or from oil that is to be discovered 25 years hence. They will be deprived of the right to tax the land, and counties thus made up will be deprived of a great portion of the revenue which now supports the local government. (CONGRESSIONAL RECORD, April 23, 1924, pp. 6987–6988.)

My motion to strike out section 7 and my criticism of the effect of it was followed by an amendment by supporters of the section which tended, inadequately, to remedy the evil pointed out.

Senator SHEPPARD afterwards made exactly the same fight in the Senate on exactly the same grounds on which I based my objection to section 7. (CONGRESSIONAL RECORD, June 6, 1924, pp. 10958–10959.)

Feeling that notwithstanding the amendment mentioned the law was still dangerous to our people, I took up with the Secretary of Agriculture the manner in which it was to be administered in eastern Texas and pointed out to him the bad results which such a system would produce in counties having large bodies of such lands if administered in the manner I believed to be contemplated, and had his assurance that if an effort was made to establish such a system there I and others representing the State would be given a chance to present the views and interests of our people. Apparently no effort has thus far been made to establish this system in our section, though it is said to be in vogue elsewhere.

The ownership by the Government of the United States of extensive bodies of land in many Western States has very greatly increased the tax burden resting on privately owned lands and other private property.

APPROPRIATIONS FOR NECESSARY FEDERAL ACTIVITIES IN THE SECOND TEXAS DISTRICT

PUBLIC BUILDINGS FOR POST OFFICES AND OTHER FEDERAL ACTIVITIES

Orange, Tex., post office: For completion, $10,000.

The construction of the Federal building at Orange was authorized in 1913—six years before the termination of the service of the late Hon. Martin Dies—but, like many other buildings authorized in 1913, it was not contracted or erected because of the war and because of insufficiency of appropriations. The additional appropriation quoted above was made by the Sixty-sixth Congress, the first in which I served, and the building later erected.

BEAUMONT, TEX., POST OFFICE AND COURTHOUSE

A report on proposed public buildings made by Secretary Mellon and Postmaster General New to the House Committee on Public Buildings and Grounds in 1927 outlining the present six-year public building program, based largely upon data presented and argument and insistence made by me, contained the following:

We recommend that an extension be provided to meet all needs at Beaumont; also the purchase of additional land if same is necessary.

Concurrent with the above report was another, made about the same time, carrying an estimate of expenses in which the following appeared:

Beaumont (Tex.)	$220,000
Sabine Pass, quarantine station	350,000

At the recent session of Congress the initial appropriation was made for Beaumont in the following language:

Beaumont, Tex., post office and courthouse: For acquisition of additional land and expenses preliminary to commencement of construction, $40,000.

These provisions for public buildings substantially exceed the average for the same period for Texas congressional districts and the country over.

APPROPRIATIONS FOR RIVER AND HARBOR IMPROVEMENTS

Under acts of Congress apportionments to our district for river and harbor work, beginning in 1921, have been as follows:

Year:	Amount
1921	$344,400
1922	355,000
1923	930,000
1924	690,000
1925	1,000,000
1926	1,100,000
1927	740,000
1928	1,025,000

In addition to the above are the sums of $800,000 for 1926, $74,030 for 1927, and $584,100 for 1928, apportioned for work on the intracoastal canal to cross the district I have the honor to represent, each and west, connecting with the ports of Orange, Beaumont, and Port Arthur.

The second Texas district, which I represent, has during the last five years, considered as a whole, been a larger beneficiary of national river and harbor appropriations than any other Texas district.

WORK OF THE CLAIMS COMMITTEE OF NATIONAL CONGRESS

I wish that my constituents all might know the nature and extent of the work done by this important committee and the

connection of their Representative as the ranking Democratic member of that committee, which has jurisdiction over thousands of claim bills, involving many millions of dollars in just and unjust demands against the Federal Treasury, funds of which are, of course, raised by taxation. The 21 members of the Claims Committee are divided into subcommittees for the purpose of considering its business. These subcommittees frequently have to pass on claims involving hundreds of thousands, or even millions, of dollars. The subcommittee of three of which I serve as chairman has considered a number of such bills, requiring great labor and the exercise of the best judgment in determining the rights of claimants and protecting the interests of the Government. As indicating something of the character of my own service on this committee I quote the following statement by Hon. CHARLES L. UNDERHILL, chairman of the Claims Committee, made in discussing an important general bill reported by the committee:

Mr. UNDERHILL. Before I close I want to pay a tribute of recognition to the men, the lawyers, on my committee. You all know I am a layman; I could not possibly have gotten this bill out and have met with its legal requirements if it had not been for such men as the gentleman from Texas [Mr. BOX], the ranking man of the minority on the committee; * * * (CONGRESSIONAL RECORD, January 30, 1928, p. 2187.)

Hon. THOMAS L. BLANTON, once a member of this committee and familiar with its work, recently said:

Mr. BLANTON. There is not a man here who appreciates more the splendid work of my colleague from Texas [Mr. BOX] than I do. I appreciate the splendid work which he has done on this committee. For the work he has already done the people of his district ought to keep him here for the next 10 years. [Applause.] I will say that without equivocation. (CONGRESSIONAL RECORD, January 30, 1928, p. 2190.)

In a letter written May 1, 1928, about some very important business being handled by this committee and acknowledging receipt of papers pertaining thereto prepared by me, Hon. JOHN Q. TILSON, Republican leader of the House, said:

Many thanks for your letter of the 30th ultimo, inclosing report and minority views regarding certain bills emanating from the Claims Committee.

You and Mr. UNDERHILL (the chairman) have done fine work on your committee, and I for one appreciate it. You may, therefore, count upon me to cooperate with you as far as I reasonably can.

During recent years when the settlement of damages caused by German depredations upon our shipping and commerce (German spoliations) were under discussion, and when the suggestion was made that such German spoliation claims might continue to harass Congress for a long time, as the French spoliation claims have done, Hon. FINIS J. GARRETT, Democratic leader of the House, said:

Mr. GARRETT of Tennessee. If there is a hangover like there has been in connection with the (French) spoliation claims, I hope the gentleman from Texas [Mr. BOX] will be here to deal with them. (CONGRESSIONAL RECORD, December 16, 1926, p. 621.)

The expense to me of reprinting any considerable portion of the CONGRESSIONAL RECORD relative to my service here would be prohibitive. All of the matter would be too voluminous to be generally read, but these limited selections will suggest to citizens at least some of the facts they should know.

BUSY SESSION OF CONGRESS

Mr. JOHNSON of Washington. Mr. Speaker, the first session of the Seventieth Congress, now about to adjourn, has been a busy and important session, lasting almost six months and handling many subjects of far-reaching importance.

The flood control act was brought about without partisan feeling, and in my opinion this great act for the salvation of the Mississippi Valley and its tributaries will lead on to other great acts of internal improvement in all parts of the country.

Other important accomplishments include tax reduction, postal rate reduction, German-American war claims settlement, a $100,000,000 public-building program, increased appropriations for agricultural extension work and reforestation, a merchant marine act, and a $20,000,000 salary increase for underpaid Government employees.

Efforts were made to meet the farmers' demand for relief by offering the McNary-Haugen bill, but with its revolving fund and equalization fee the bill had the same objections that had caused it to be vetoed in a previous Congress. In fact, its defects became more apparent, even to many of its strongest supporters. I think that a plan will be found to give relief to the farmers through the debenture plan.

Other great problems before the Congress are in process of solution. For instance, the power situation, the adjustment of the coal situation, and unemployment resulting from increasing use of mechanical and labor-saving devices.

This session failed to pass a reapportionment bill—a great disappointment to many growing States. A deadlock exists between Representatives of States which have lost population and those which have gained. Neither side desires increase of membership in the House beyond the present number—435.

For me this session just closed has been an extremely busy one. As the third congressional district of Washington is large in area and increasing rapidly in population, I feel that I should make a statement as to bills passed by me of interest to the district and the State. I make this statement because, after almost 16 years in the Congress of the United States, my work as Representative increases more and more, and the time necessary for personal campaigning for reelection is limited.

VANCOUVER HIGHWAY RIGHT OF WAY ACT PASSED

The first bill introduced by me to become law in the Seventieth Congress was the one which granted to the city of Vancouver a perpetual easement for the construction and maintenance of a public highway, not exceeding 60 feet in width, paralleling the Columbia River on the Vancouver Barracks Military Reservation. Enactment of special legislation was necessary in this case for the reason that the general law on the subject of easements for highway rights of way permits the Secretary of War to make grants only to States and counties; not to cities. The city of Vancouver needed the roadway in order to give the port of Vancouver access to valuable industrial property owned by it, which without highway facilities could not be utilized. After passing House and Senate the bill was signed by the President February 13, 1928.

BILL FOR PUYALLUP INDIAN CEMETERY FUND ENACTED

Next in order among my successful bills was one introduced upon the informal suggestion of the Commissioner of Indian Affairs. The trustees of the Puyallup Tribe of Indians submitted to the Department of the Interior a formal request that funds for the upkeep of their ancestral cemetery in the city of Tacoma be provided by the deposit of $15,000 in a local bank at 6 per cent interest. The department was agreeable, but was without legal authority to set aside a fund, and further was of opinion that it would be better to invest $25,000 at 4 per cent interest. The tribe had to its credit in the Federal Treasury some $68,000 which, under the law, could be used only for school purposes. Accordingly, my bill proposed to invest $25,000 at 4 per cent for permanent upkeep of the cemetery. The measure won approval all down the line and became a law March 28, 1928.

BOARD OF STEAMBOAT INSPECTORS AT HOQUIAM CREATED

A bill of considerable interest to people of Grays Harbor and Willapa Harbor was the measure introduced by me to authorize appointment of a board of steamboat inspectors at Hoquiam. This proposition came to me from the chamber of commerce of that thriving city—which, by the way, is as wide-awake and capable a civic organization as I have ever met—and immediately won the support of the Supervising Inspector General of the Steamboat Inspection Service, Hon. Dickerson N. Hoover. Captain Hoover visited the north Pacific coast in 1927, and after his return to Washington, D. C., assisted me in preparation of the bill which has now become law. His report on the measure, submitted to Chairman WALLACE H. WHITE, of the House Committee on the Merchant Marine and Fisheries, stated that more than 800 vessels, with a total net registered tonnage of over a million, now sail annually from Grays Harbor, as against 400 vessels, with a total net registered tonnage of 233,000 in 1920. The purpose of the bill is to provide closer and better facilities for handling the shipping business in the Grays Harbor and Willapa Harbor districts. While the new board will cost the Government a small additional sum, the benefits to be derived through closer and more direct supervision of shipping, and the elimination of expense and lost motion in transportation of inspectors from the Seattle office to the two harbors, will more than justify the increase. The board will consist of an inspector of hulls and an inspector of boilers. The act was approved May 22, 1928.

RIVER AND HARBOR AUTHORIZATION BILL REPORTED

It is to be doubted that any congressional district in the United States has more navigable water at its borders than has the third district of Washington. With more than 100 miles of Pacific coast, nearly 200 miles of the Columbia River, and all the arms of Puget Sound south of Kitsap County, southwestern Washington is perpetually interested in Federal improvement of rivers and harbors. The last authorization bill for rivers and harbors was that of January 29, 1927. The next one, which should be passed before March 4, 1929, was

reported by the House committee May 28, 1928, the day before adjournment.

CHEHALIS RIVER IMPROVEMENT

I am pleased to report that the third district of Washington fares well in this bill. The project for the improvement of the Chehalis River between Cosmopolis and Montesano so as to provide a channel 16 feet deep and 150 feet wide is recommended for adoption. The total estimated cost of the work is $423,000, of which one half, or $211,500, is to be borne by the Government and the other half by local interests. Two hearings on this proposition were had before the Board of Engineers for Rivers and Harbors, the final result being a favorable recommendation, concurred in by the Chief of Engineers of the War Department and the House Committee on Rivers and Harbors.

COLUMBIA RIVER CHANNEL AT VANCOUVER

Modification of the project for the improvement of the Columbia River at Vancouver is also recommended. Under the project adopted about four years ago local interests were called upon to put up $30,000 a year until completion of the work at a total cost of $93,000. As the burden upon the port district was too heavy, I took the matter up with the Chief of Engineers, securing a reduction of the local contribution to $20,000 per annum. The Chief of Engineers reports a gratifying development of commerce at Vancouver, which port handled only 3,295 tons of shipping in 1921, but in 1926 handled 117,204 tons. In 1926, 90 steam schooners and tramp steamers called there, while in 1927 the total number of vessels was 137.

In addition to modification of the local contribution, I have had incorporated in the river and harbor bill a provision for a new survey looking to the improvement of the Columbia River for a distance of 1 mile above the city limits of Vancouver. This is with a view toward providing deeper water for new industries which, it is hoped, will be located above that enterprising city. This may mean eventually a further modification of the existing improvement project, but action will depend upon the sort of showing that may be made as to the necessity for inauguration of the work.

TACOMA HARBOR AND ITS WATERWAYS

One of the most important surveys in the river and harbor bill is that which will provide a preliminary investigation of all the waterways and channels of Tacoma Harbor. Because of its splendid depth and magnificent spaciousness Tacoma Harbor has needed little expenditure of Federal funds. The last project affecting it was that for the deepening of the city waterway, adopted in 1916. Several years ago I made a strenuous effort to secure cooperation of the National Government in the control of the floods of the Puyallup River. The engineers of the War Department reported adversely, however, and the matter has since been pending before the Board of Engineers for Rivers and Harbors, awaiting a time when involved and difficult local interests could be brought into harmony. I am in hopes that the new survey will touch this problem and bring out facts which will move toward solution of Puyallup flood control, at the same time recommending any waterway or channel improvements that may be necessary.

GRAYS HARBOR BAR CHANNEL

Another important survey is that of Grays Harbor Bar Channel. This channel has been under Federal improvement since 1896, and more than $4,000,000 has been spent on the bar, inner harbor, and Chehalis River, including the cost of north and south jetties. Until the act of January 29, 1927, the Government engineers had no authority to dig the channel deeper than 24 feet at low water, but under that act they now have authority to dig as deep as they can. I am now informed that continuous dredging has provided a depth of 30 feet, and that 36 feet or more will be available by the close of the dredging season this fall. The new survey, which will be made if the pending bill becomes law, will reinvestigate the need for improvement of the bar channel by reconstruction and extension of the jetties.

This is an important engineering problem, involving also the economic possibilities of the entire Grays Harbor country, and determining whether or not the Government will be justified in spending one and one-half times as much on new jetty work as has been spent on jetties and dredging in the more than 30 years the bar has had Federal attention. It is difficult to predict what will be done, but I am of opinion that if continuous dredging, as now authorized by the act of January 29, 1927, does not provide adequate bar-channel depths the Government will adopt a jetty-construction program.

OLYMPIA HARBOR

I had expected to bring about the incorporation in the river and harbor bill of a provision affecting Olympia Harbor, the project for which was adopted in the last bill. It turned out, however, that the Chief of Engineers was willing to reinvestigate that harbor, with a view toward approving a wider channel, on a mere committee resolution. Such a resolution was adopted at my request last winter, thus gaining a year or more of time.

WILLAPA HARBOR

The last report I had on Willapa Harbor improvement, authorized by the act of January, 1927, was that dredging work is to go forward steadily this summer. The dredge *Oregon* has been working in the inner harbor, and the big ocean-going hopper dredge *Culebra* is to work on the bar in July. An allotment of $40,000 has been made out of available funds, which will be spent in addition to funds belonging to the work heretofore made available. Willapa Harbor is another splendid haven which has required little improvement work. It is expected that the project now in progress will make it able to take care of its shipping better than ever before.

FORT LEWIS'S NEW BUILDINGS MAKE GREAT PROGRESS

I am gratified to report splendid progress on the program of building construction at Fort Lewis. Without doubt nothing so grieved the good people of southwestern Washington over a long period of years as the Government's delay in providing adequate shelter for troops stationed at this famous post. Even by the time of the armistice the hastily constructed barracks erected for training of overseas troops in 1917 had begun to deteriorate. Despite my earnest appeals, the War Department moved at a snail-like pace in formulating its plans for reconstruction. With the cooperation of Representative MILLER, of the Seattle district, and Senator W. L. JONES, I had the honor to take the initial steps looking to erection of permanent buildings at Fort Lewis when, in the spring of 1924, I had incorporated in the Army appropriation bill—act of June 7, 1924—the following amendment:

> * * * and the Secretary of War is hereby authorized and directed to submit to the Congress at its next session a comprehensive plan for necessary permanent construction at military posts, including Camp Lewis, in the State of Washington, based on using funds received from the sale of surplus War Department real estate, and for the sale of such property now owned by the War Department as, in the opinion of the Secretary of War, is no longer needed for military purposes.

In pursuance of this instruction the War Department did submit a plan for new construction in December, 1924, but by reason of the illness and death of Hon. Julius Kahn, then chairman of the House Committee on Military Affairs, the retirement of Hon. John C. McKenzie, ranking member of that committee, and the death of Secretary of War John W. Weeks, it was not until March 12, 1926, that the military post construction act was approved by the President.

The progress of the matter since that time has been remarkable. Millions of dollars recovered from the sale of surplus War Department property have been spent at permanent establishments in various parts of the country, and Fort Lewis has gotten a generous share.

The friends of Fort Lewis are grateful to that sterling American, Hon. W. FRANK JAMES, of Michigan, who as chairman of the real estate subcommittee of the House Committee on Military Affairs has handled all construction authorizations, both in the committee and in the House. Representative JAMES'S devotion to his duties moved him to make an airplane journey across the country in 1927, in the course of which he accepted my invitation to visit Fort Lewis. His personal view of the post on that occasion has given him a keen interest in the building project, and has brought assurances that the work will go on to a satisfactory conclusion.

Money actually appropriated for Fort Lewis thus far includes $1,300,000 for barracks for enlisted men, $30,000 for quarters for noncommissioned officers, $72,000 for officers' quarters, and $350,000 for the post hospital, or a total of $1,752,000.

In addition there have been authorizations for which appropriations will shortly be made covering $350,000 for more barracks for enlisted men, $68,000 for additional quarters for noncommissioned officers, $50,000 more for officers' quarters, and $32,000 for nurses' quarters, making a total of authorizations of $500,000.

In the last days of the session just closed the House passed still another authorization of $308,000, including $93,000 more for noncommissioned officers' quarters and $215,000 for officers' quarters.

Summarized, the Fort Lewis appropriations and authorizations, including the last authorization passed by the House, but not yet passed by the Senate, total $2,560,000. My understanding is that the War Department expects to spend between four and five million dollars on this big job and will make Fort Lewis at last one of the most beautiful and useful establishments in the country. Those who have seen the first of the

handsome new brick buildings being erected there can have but a faint idea of what the post will be when all are completed and when the distinguished landscape artists engaged by the Government have finished their labors. Instead of tumbledown shacks, an eyesore to the public and an abomination to the unfortunate officers and men forced to inhabit them, Fort Lewis will present modern, permanent, fireproof buildings. It is a matter of pride to me that I had a part in initiating this great improvement, and I hope the time will soon come when through its completion there will be stationed in the new structures a full complement of officers and men in continuous training.

DEVELOPMENT OF AMERICAN LAKE HOSPITAL

Another great improvement in the Fort Lewis locality will be the new $220,000 building for the accommodation of 100 additional patients at the American Lake Veterans' Bureau hospital. Appropriation for this structure has not yet been passed, but the authorization is carried in the hospital building program bill approved by the President May 23, 1928. The 100 additional beds authorized is in addition to a previously made 100-bed authorization, besides which General Hines, Director of the Veterans' Bureau, plans to use a lump-sum authorization for such further accommodations as may be needed. American Lake Hospital is recognized as one of the most successful and most economical Government institutions. It fills a most important need and renders a most valuable service. It is an asset to the State of Washington, and I was glad to appear before the Committee on World War Veterans' Legislation to urge that its facilities be enlarged.

FISH CONSERVATION BILL ENACTED

In its far-reaching importance the bill introduced and passed by the joint efforts of Senator JONES and myself, to authorize investigation of devices for protection of fish in irrigation ditches, is outranked only by a few great national measures considered by Congress during the past session. Although it provides for an appropriation of only $25,000, this measure is the first step in a most important effort to conserve the food supply of the people.

Fishermen have long known the importance of protecting spawn and young fish at the headwaters of our western streams. It was not realized until lately, however, that the greatest loss of fish is occurring in the upper reaches of streams on which irrigation works have been installed. The immature fish, more particularly young salmon pursuing their natural course downstream toward the ocean, as well as trout and other game species, are swept into the irrigation canals and ditches, from which they can not escape. When the canals and ditches are drained at the close of each irrigation season the fish are killed and wasted. The problem involved is that of preventing, if possible, the admission of fish to irrigation works. It is a problem vitally affecting the food supply of the entire Nation, and arising as it does in structures erected by the Federal Government, it is proper that the Federal Government should employ all proper means looking to its solution. The Jones-Johnson Act authorizes and directs the Department of Commerce to study, investigate, and determine the best means and methods to accomplish this end. It is assumed that Federal officials will begin their work where the fisheries departments of Washington and Oregon have left off, and will undertake to invent or perfect a satisfactory device which will screen an irrigation ditch effectually against fish of all sizes entering it and still not hamper or hinder the flow of water, which is the all-important concern of the user or owner of the ditch.

The gravity of this problem has been shown by investigations which found as many as 20 fish lost for each acre of ground irrigated. At this rate, figuring 250,000 acres under irrigation, one year's destruction amounts to 5,000,000 fish, 4,500,000 being salmon in their first and second years. If the United States Bureau of Fisheries, in cooperation with the Reclamation Service, can devise a means to stop this tremendous wastage, it is reasonable to assume that from 100,000 to 200,000 cases will be added to the annual salmon pack in the Northwest. It is doubtful if anything could contribute more to the prosperity of our part of the country.

RELIEF FOR VETERANS OF THE WORLD WAR

Early last spring veterans of the World War in the Pacific Northwest called to my attention the need for legislation for the relief of disabled soldiers and sailors filing suits against the Government for settlement of their war-risk insurance policies. Several cases had been brought to trial and dismissed because of different and conflicting rulings interpreting statutes of limitation. I believe my bill to correct this difficulty was the first of several introduced in the House. The subject matter was given thorough consideration in the Committee on World War Veterans' Legislation, which reported out a remedial bill, which was passed and approved. The committee bill adopted the suggestion of mine fixing six years as the uniform statute of limitation. Suits heretofore filed and dismissed are revived under this law, and various technicalities perplexing even to the legal profession are adjusted to the advantage of disabled insurance claimants.

CARE OF INSANE ALASKANS

A bill on which I have labored for several years, which, I am sorry to say, did not get through the House of Representatives during the recent session, is one to relieve the State of Washington and other Western States of the care of insane citizens of Alaska. This proposition first came to me from Hon. Frank C. Morse, former member of the board of control, who for some years has been in charge of deportation of aliens committed to the insane hospitals of our State. The first bill on the subject prepared by me was indorsed by the then Governor of Alaska, Hon. Thomas Riggs. It was later indorsed by Gov. Scott C. Bone, Delegate DAN SUTHERLAND, and various Secretaries of the Interior.

My bill on this subject has two purposes. First, it would relieve any State of the care of any insane citizen of Alaska, if adjudged insane within one year after leaving that Territory, and authorize his treatment in Morningside Hospital, Portland, Oreg., which for many years has cared for Alaska insane under contract with the United States Interior Department. Second, it would relieve Morningside Hospital of the care of homicidal or otherwise dangerous Alaskan insane, providing for their transportation to and treatment in St. Elizabeths Hospital, Washington, D. C., which is perhaps the best-equipped asylum in the world.

Although this proposition has failed twice to pass the House by unanimous consent, I am still hopeful that it can be enacted, as Chairman GEORGE S. GRAHAM, of the House Committee on the Judiciary, has promised to bring it up on the first calendar day next session. Meantime, in order to direct attention to the importance of providing adequately for insane persons who should properly be charges upon the Federal Government and not the States, I have introduced a bill for establishment of a Federal insane hospital on McNeil Island. Such an institution may be needed in time. I shall urge investigation of the proposition with all energy.

OLYMPIC NATIONAL FOREST LAND EXCHANGES

Upon the suggestion of the Olympic Peninsula Development League, and after consultation with the United States Forest Service, I introduced early in the last session a bill to permit extension of the boundaries of Olympic National Forest by land exchanges. This bill is similar to, if not identical with, several measures affecting other national forests enacted in recent years, and is in line with the policy of the Government under which several worthy purposes are sought to be carried out, namely, the acquisition by the Government of denuded land suitable for reforestation, the disposal by the Government of mature timber suitable for logging, and the extension of Federal forest fire protection. Several years ago, by the act of March 20, 1922, the basic policy of the Government on this subject was laid down. It is that land outside the forest reserves suitable for reforestation may be acquired by the Government, and in exchange the Government can give an equal value of land or timber within the reserve. The law requires every proposed exchange to be publicly advertised in the newspapers.

There was some variance among suggestions given me as to the appropriate distance from the existing boundaries of Olympic National Forest to which the Government might go to acquire lands by such exchanges. One suggestion said 3 miles, another 6, another 11, and one 12. As I introduced the bill, the limit was fixed at 6 miles. When the Committee on the Public Lands of the House took up the measure it noted a recommendation submitted by the United States Department of Agriculture, and amended the bill in accordance therewith so as to permit exchanges up to 3 miles on the northern and eastern boundaries, and up to 12 miles on the southern boundary. In this form the measure passed the House by unanimous consent only a short time after a similar bill authorizing exchanges affecting Crater Lake National Forest in Oregon had passed.

Since the House acted in this matter I have learned of some objections to the bill originating in western Washington, which objections seem to be founded upon the belief that enactment of the measure would immediately remove from the tax rolls a large area of logged-off land. This is a misunderstanding. The bill, if enacted, would not of itself remove a dollar's worth of property from the tax rolls. It is not mandatory in its provisions, but permissive. It authorizes exchanges which, when consummated, after due public notice by advertisement, would

amount to mere transfers of taxable property. For every dollar's worth of logged-off land removed from the tax rolls there would be exchanged a dollar's worth of national forest timber, which would be equally taxable.

If it is thought that the bill reaches out too far from the existing boundaries of the national forest, amendments can easily be made in the Senate next winter. My interest in the matter is solely to enact a measure which will best serve the people of southwestern Washington, and whether a broad or narrow class of exchanges is to be permitted is of slight importance. The proposition is merely to give Federal forest-fire protection to a larger area, thus encouraging reforestation and hastening the day when a good second growth will be available, and at the same time to utilize ripe timber under the strict supervision of the Forest Service while logging operations near by are in progress and before decay sets in. My experience with Forest Service officials assures me that the interests of the Government and the people will be amply conserved in every step that may be taken in the event of the enactment of this bill.

MEMORIAL TO GENERAL GREENE AT FORT LEWIS

Early in the past spring officers of Henry A. Greene Lodge, No. 250, F. and A. M., Fort Lewis, informed me of their desire to erect a memorial lodge building within the confines of Fort Lewis Military Reservation. I took the matter up with the War Department, ascertained that the Secretary of War has no authority to permit construction of such a building, and at once introduced a bill to grant such authority. The bill was drafted to conform to a provision enacted several years ago to permit construction of a memorial building at Fort Leavenworth, Kans. The Secretary of War has made a favorable recommendation, and the Committee on Military Affairs of the House was all ready to submit a favorable report when, in the closing days of the session, Chairman MORIN of that committee could not get a quorum together to approve this and several other minor propositions. I am reasonably sure that the committee will act favorably and the bill will be enacted early next winter. If the measure becomes law, the memorial lodge building will be erected by the Henry A. Greene Memorial Association, numbering some of the most prominent and public-spirited Masons of Tacoma and vicinity, and space within it will be reserved for the Fort Lewis post office free of cost to the Government.

DAMAGES PAID ANTON ANDERSON

Anton Anderson, a fisherman of Chinook, has received by this time a small sum of Government money for which he has waited more than eight years, by reason of the enactment of a special bill introduced by me which became a law May 3, 1928. On April 8, 1920, the United States launch *Vigilant*, while operating in fortification construction work at the mouth of the Columbia River, accidentally ran into Mr. Anderson's fish trap, causing damages which cost him $170 to repair. After investigation the War Department was all ready to reimburse him directly, under authority of general law, when it was discovered that the *Vigilant* was not engaged in connection with river and harbor works. It became necessary to introduce special legislation, but on account of the overwhelming mass of bills in the Committee on Claims of the House the proposition was not reached until this year, when it received prompt and favorable action and was approved by the President.

PENITENTIARY WARDEN RELIEVED OF LIABILITY

Another settlement, long delayed by congestion in the House Committee on Claims, is that provided by the act of May 14, 1928, introduced by me for the relief of Finch R. Archer, warden at McNeil Island Penitentiary. Warden Archer was charged on Government books with the loss of $1,608.54, representing the value of money and personalty stolen by escaping prisoners, Turner and Peronto, September 26, 1922. Turner and Peronto were in the penitentiary serving three-year terms—one for forgery and the other for embezzlement. Turner was made a stenographer and Peronto a clerk-typist in the penitentiary office. Peronto was granted parole, won the confidence of the warden and other officers, had the run of the prison grounds, and was treated as a civilian employee. As Turner slept in the prison office and Peronto had practically complete liberty, it was an easy matter for the pair to rob the prison safe and escape with $594.79 belonging to other prisoners, $121.75 from the meal fund, and $892 worth of jewelry and effects belonging to inmates. Neither was apprehended. The bill introduced by me, which is now a law, makes settlement with Warden Archer in the amount charged against him on account of the robbery.

RELIEF OF DAVID J. WILLIAMS

Still another settlement, involving a case which was a cause célèbre in the Pacific Northwest a few years ago, was that crediting the accounts of David J. Williams, former collector of internal revenue at Tacoma, in the amount of $22,160.78, the sum stolen from the internal-revenue office at Seattle in a holdup which occurred March 16, 1920. The day before had been a heavy tax collection, as it was the last day for filing 1919 income-tax returns.

While Deputy Cashier R. E. Stafford was working on his reports early on the morning of March 16 two men, unmasked, but unknown, entered the office and covered him with revolvers. They forced him to enter the vault and unlock the burglar-proof safe, from which they took packages of currency amounting to $22,000. When Collector Williams was checked up by Government officers a shortage of $24,734.78 was found. The sum of $2,574, however, was reported to represent defalcations of employees of the office. So by the act just passed, approved April 27, 1928, credit is allowed for only $22,160.78, the amount of the robbery, plus some unidentified collections which could not be traced. Former Collector Williams is now living in Beverly Hills, Calif., but his many friends in Tacoma and other western Washington cities will be pleased to know that the burden under which he has been laboring more than eight years has been removed.

CASE OF JOHN P. PENCE

The House of Representatives on January 11, 1928, passed my bill to reappoint Lieut. John P. Pence, of Tacoma, an officer in the Signal Corps, United States Army, but the Senate Committee on Military Affairs rejected the measure. The case of Pence was a most unusual one. He was stationed at the isolated military telegraph post, Fort Gibbon, Alaska, in 1922. With him were his wife and 2-year-old son. Another child was expected. The post had been ordered abandoned, but decision with respect to removal to another location was delayed. During the period of delay Pence made repeated efforts to find a way safely to provide for his wife during approaching childbirth. It was impossible for her to take the trail unaccompanied. It was impossible for him to obtain either transfer or leave of absence. No other appropriate means could be found. Orders for removal to another situation, expected daily, were not received. At the time most critical in his domestic affairs, Lieutenant Pence was discharged as first lieutenant and tendered appointment as second lieutenant. This by reason of reduction of the Army. To protect his wife and son, and for the safety of his unborn child, he chose to decline demotion, accepting an honorable discharge from the Army. Thereafter he transported his family by sled, train, and boat to Tacoma, where the expected child was born February 8, 1923.

The House Committee on Military Affairs saw the desirability of reappointing this man to the Army and acted favorably on my bill. The House passed the measure. So much time has passed since the matter was first presented by me, and so many new officers have entered the Army, that in view of the Senate Committee's action there is no hope that my bill can be revived.

MRS. SPENCE'S BILL PASSED THE HOUSE

On July 23, 1926, shell fire from Reserve Officers' Training Corps artillery practice started a fire on the Fort Lewis artillery range. The flames, fanned by a strong wind, became uncontrollable, swept outside the reservation, and burned over 120 acres of pasturage and 20 acres of sown meadow owned and used by Mrs. Letitia Spence. An old straw barn, a manure spreader, 100 loads of manure, and part of the boundary fence belonging to Mrs. Spence were destroyed. In her behalf I introduced a special bill to reimburse her for the loss. The matter was taken up in the House Committee on War Claims, which committee reported that, although the damage was not due to the fault or neglect of any person, the Government should pay Mrs. Spence $966.20. The case was taken care of in an omnibus war claims bill which passed the House, but did not pass the Senate in the last session. I am hopeful that it will become a law before adjournment of the winter session on March 4, 1929.

PRESIDENT VETOES COWLITZ INDIAN CLAIM BILL

One of the disappointments of the past session was the veto message of the President which checked my effort to provide authority for the Cowlitz Tribe of Indians to file suits against the Government in the Court of Claims. Almost everybody in southwestern Washington knows of the long and patient efforts of the members of this tribe to present their claim on account of rich and fertile lands taken without compensation by white people in the early days. The Cowlitz bands made no treaties with the Federal Government, as did some Indian tribes, but they have always believed themselves entitled to relief. Bills to permit them to file suit in the Court of Claims have been introduced by me for a dozen years or more. Twice before this matter has come very near to a conclusion; once when the Hadley bill, giving the Claims Court authority to hear other western Washington Indian cases, was under consideration, and another time when the Cowlitz proposition passed the House independently. My advice to the Cowlitz people was that they

join with other western Indians to secure relief under the Hadley bill. This they declined to do at that time, but later they agreed, so that the bill which has now been vetoed is a mere amendment of the Hadley bill which should have been a part of it originally. I am very sorry about the veto, as the bill passed both House and Senate without question or debate, but I am in hopes that the measure can be passed over the veto when Congress assembles again next winter. I shall do all I can in the matter.

A 22-YEAR-OLD CLAIM SETTLED

A claim nearly 22 years old was disposed of when Congress passed and the President approved my bill for the relief of Thomas Huggins, of Tacoma. Mr. Huggins was a lessee of the du Pont Powder Co. on certain lands near American Lake in 1906. In July and August of that year the Army carried on extensive maneuvers in that locality, necessarily working damage to considerable property. Mr. Huggins declined to sign a lease presented him by Army officers, so when the time came for settlement of damages the War Department was without authority to pay. The law does not permit payment for the use of land, except a formal lease is in existence. The matter hung on for years. Senator JONES introduced bills to provide settlement in 1913 and 1915. Finally in 1927 Mr. Huggins appealed to me, and my bill received prompt and favorable attention, with the result that payment of $750 has been authorized.

CIVIL WAR WIDOWS' PENSION INCREASED

In this Congress as in the previous one I introduced a bill to increase pensions of widows of Civil War veterans, and I am pleased to report that something has been done by Congress along this line, although the action taken is not so generous as I had hoped. For several years widows of Civil War veterans have been entitled to pensions of $30 per month, except in the case of a widow married to a soldier before the expiration of his Civil War service, in which case—since July 3, 1926—the pension is $50 per month. The bill introduced by me would have paid all Civil War widows $50 monthly pension, but the Committee on Invalid Pensions reported, both House and Senate passed, and the President approved a bill granting $40 monthly to widows reaching the age of 75 years. The $30 rate still stands for those under 75, and the $50 rate for those married before or during the Civil War.

I have always been a supporter of liberal pension legislation, as I believe this rich and powerful Government can well afford to be generous to those who have fought on the field of battle and to their dependents.

During the session just closed I have brought about enactment of nearly a score of special pension bills to take care of exceptionally worthy cases. Several of these have been for widows married since the time limit of the general law, June 27, 1905. One was for a widow whose title under the general law could not be established because of a divorce record. Another was for the helpless, speechless son of a recently deceased Civil War veteran, a well-known and highly respected citizen of Tacoma, the son having been an invalid since infancy. He is now past 50 years of age, and his pension beyond the age of 16 years could not have been provided except by special act.

It has been a pleasure to work for special pensions for Spanish War veterans and Civil War veterans and to secure results. Hundreds of these special pension bills are to my credit. Space limitation prevents enumeration. Also I have been glad to help in making compensation and hospital adjustments for World War veterans, whether from the third district or not. Successes with these alone this year run into the hundreds.

I receive, and am glad I do receive, a very heavy mail. All—on every conceivable subject—receives prompt attention. I invite letters from constituents. In handling their letters I am assisted by two faithful secretaries—P. F. Snyder and Mrs. Virginia Davis—each of whom has been with me more than 14 years. Other clerks handle the committee mail, documents, and so forth. I have on hand quantities of good farmers' bulletins on all important branches of agriculture and shall be glad to mail them out liberally. Incidentally, let me say that nearly 1,000 bills became laws during this session. If each of the 435 Members of the House and 96 Members of the Senate had passed as many as I did, the total number would have been 7,000 or more. It is not easy to pass even a little bill through both branches of Congress.

CASE OF MRS. ANNIE M. LIZENBY, OF TACOMA

The bill introduced by me for the relief of Mrs. Annie M. Lizenby, of Tacoma, unfortunately was not reached in the mass of work before the House Claims Committee during the past session, but I have the promise of Chairman CHARLES L. UNDERHILL, of that committee, that it will be put on the calendar early next winter. Mrs. Lizenby was struck down and seriously injured by an Army truck in December, 1922. The War Department ever since has disclaimed responsibility, saying that the icy streets on the day of the accident should have been roped off by the city and traffic detoured. The evidence shows, however, that the truck which struck Mrs. Lizenby was driven by an inexperienced man. I am confident that upon consideration of all the facts the Congress will not hesitate to remunerate this worthy woman, who has been so well beloved by a wide group of friends in Tacoma, and whose sufferings and privations due to the accident have been almost more than human strength could bear.

BILL FOR DAVID F. RICHARDS PASSED THE HOUSE

One of the measures that appealed to the sensibilities as well as the sympathies of the House in the last session was my bill to hold and consider David F. Richards, of Tacoma, honorably discharged from the Army. Mr. Richards, when an unsophisticated country boy of 18 years, enlisted in the Army and was sent to the Philippines. There he encountered a hard-boiled top sergeant who borrowed his money and when required to pay it back retaliated by impositions which only a "top-kick" can devise. Richards got a series of summary court-martials, and when the order came to reduce the strength of the Army he got a dishonorable discharge. The House Committee on Military Affairs, reporting my bill for his relief, said that he committed no offense serious enough in itself to warrant discharge without honor. The committee took cognizance of evidence showing the extent to which the former soldier had won the respect of his associates in civil life, gladly reported the bill, and passed it in the House. I am hopeful that it will pass the Senate and be approved by the President next session.

FEDERAL COURT BAILIFFS AND CRIERS

At the beginning of the last session my attention was called to the unfortunate situation of bailiffs and criers in the Federal courts, who, although required to be available for duty at all times, were being paid on a per diem basis and receiving a pitifully small wage. When I took the matter up with the Attorney General he expressed the opinion that the separate position of court crier ought to be abolished, and said the bailiffs should be placed on a salary basis. He called my attention to a provision in the Code of Laws of the District of Columbia authorizing appointment of deputy marshals to perform the duties of bailiffs and criers. Accordingly I introduced a bill making this change effective in respect of all Federal courts and providing salaries of $150 monthly for such deputy marshals. The matter was taken up in the Committee on the Judiciary of the House, which reported a committee bill instead of mine. It is now known as the Dyer bill and is on the calendar of the House with good prospect of enactment in the session to convene next December.

ARMY TENTS FOR CENTRALIA CONVENTION, AMERICAN LEGION

Despite objections of the War Department, the House Committee on Military Affairs reported and the House itself passed my bill to authorize a loan of tents and camp equipment to the housing committee for the American Legion convention to be held at Centralia, Wash., August 8, 9, and 10, 1928. The War Department insists that such loans ought to be made only to the national conventions of service men's organizations. The House committee expressed the opinion that such a limitation would force all State conventions to be held in the larger cities, where ample hotel accommodations are available, thus depriving the smaller cities of the inspiration which such gatherings provide. The Senate Committee on Military Affairs, however, stood with the War Department in this matter and, although Senator JONES made strong representations to members of that committee, the matter fell by the wayside. With reference to the Centralia convention, it is not out of place for me to say that the Secretary of War has promised me that airplanes from Pearson Field, Vancouver, will be in attendance, and Assistant Secretary of War F. Trubee Davison, who has charge of aviation matters, will make a strong effort to be present.

EMPLOYMENT OF AMERICAN CITIZENS ON BOULDER DAM CONSTRUCTION

Although it does not relate directly to the affairs of southwestern Washington, citizens generally will be interested in knowing that when the Boulder Canyon Dam bill passed the House of Representatives it contained an amendment presented by me reading as follows:

Provided, That the laws of any State in which any part of the construction work herein authorized is performed, in respect of the employment of laborers and mechanics on State, county, or municipal works, shall apply to the employment of laborers and mechanics upon any part of the construction work herein authorized.

Inasmuch as all the States in which the Boulder Canyon Dam works are to be built have laws or constitutional provisions giving preference to American citizens in employment on their public works, this amendment means that Americans will

have first call on all jobs when the construction of this great project begins. As St. Paul says:

He that provideth not for his own, and specially for those of his own house, hath denied the faith and is worse than an infidel.

Let us always provide first for Americans!

IMPORTANT IMMIGRATION LEGISLATION ENACTED

I have written and spoken so much on the subject of immigration that perhaps a reference to the subject in this extended report of local affairs will be out of place. Yet it has been my experience that people of southwestern Washington, being earnest students of national affairs, abreast of the times, and thoroughly American in their feelings, are ever ready to learn of the efforts I have made for the protection of the country through immigration restriction.

Those who have followed the subject will be gratified to know that four important measures have been put on the statute books during the past session.

IMMIGRANT INSPECTORS' SALARIES INCREASED

Although they are perhaps of equal moment, I want to mention first the bill introduced in the Senate by Senator REED of Pennsylvania and in the House by Representatives THOMAS A. JENKINS, of Ohio, increasing the pay of immigrant inspectors. These faithful servants of the Government have long been underpaid and handicapped by no uniform scheme of promotion. The Reed-Jenkins bill, to which I was glad to give much assistance in committee, on the floor, before the Bureau of the Budget, and at the White House, increases the salaries of all the lower-paid inspectors, classifies the entire inspector force, and authorizes the first promotion scheme the service has had. Further, it authorizes the payment of travel expense when an immigrant inspector is sent overseas to serve as a technical adviser at an American consulate.

I do not know of anything more important to the enforcement of immigration restriction than this. Immigrant inspectors are the real guardians of our gates. Many of them have to know several foreign languages. They have to be thoroughly acquainted with the laws, fair and courteous in their enforcement, and available for duty at all times and in all conditions of weather. It is a matter of gratification to me that at last we have been able to give them better salaries and more generous working conditions through the passage of this act.

REUNION OF IMMIGRANT FAMILIES PROVIDED FOR

Another and a most valuable enactment is the Copeland-Jenkins bill to amend the nonquota and preference provisions of the Johnson Act of 1924. Under the original statute exemption or nonquota status was available only to the wives and unmarried children under 18 years of age of citizens of the United States. Under the new law, approved by the President May 29, 1928, nonquota status is available to the American-born woman who lost her citizenship by marriage to an alien prior to September 22, 1922, if she has since been widowed; also, to the husband of an American woman citizen, if married before June 1, 1928; also, to the wife and the unmarried child under 21 years of age of an American citizen. These additional exemptions will authorize the admission of an accumulation of less than 4,000 deserving cases, and in future years will add about 1,000 annually to our immigration.

The new law further alters the preference provisions of the immigration act of 1924 and in part satisfies the clamor that has been heard for the past four years with reference to the separation of alien families. Beginning July 1, 1928, the first half of each quota will be reserved for fathers and mothers of citizens, husbands of citizens (if married after May 31, 1928), and agriculturists (from countries having quotas of more than 300). The second half of each quota will be reserved for the wives and unmarried children under 21 of aliens who have been lawfully admitted to the United States for permanent residence.

In this amendment of the preference provision a double purpose is served. First, we shorten the waiting time abroad of persons entitled to preference; second, we defer (perhaps indefinitely in some cases) those whose coming would amount to the planting of new seed in this country. Brothers, sisters, aunts, uncles, cousins, nieces, nephews, and aliens of no relationship desiring to come to the United States are set aside in favor of the wives and minor children of those already here. The whole quota, if demand therefor exists, is to be made up of those on whose account alien organizations in the United States have been setting up a cry for relief since the act of 1924 was put on the statute books.

I am sure it will be recognized immediately that the new act is a distinctly restrictionist measure. When we give preference to the wives and minor children of aliens we expedite their immigration. Once here they are not available to come in nonquota status after their husbands or fathers acquire citizenship. This means eventually a lessening of the total of nonquota admissions. Further, the deferment of brothers, sisters, and so forth, means the postponement of the day when newcomers plead for admission of another crop of wives and minor children, either as preference or nonquota cases.

A FURTHER RESTRICTION OF IMMIGRATION IS IMPERATIVE

The problem of immigration to-day is not the allocation of the European quotas, either among nationalities or among classes of relationship, but the lessening of the number of nonquota admissions. This is emphasized when we consider the thousands entering the United States across our southern border, all of whom come exempt from quota restriction. The Committee on Immigration and Naturalization of the House, of which I have been chairman more than nine years, devoted several weeks to a study of this problem, and doubtless will pursue it further hereafter. My own opinion is that sooner or later a limitation upon Western Hemisphere immigration is inevitable. The problem is to find an appropriate, fair, and equitable basis upon which to build it. In this, as in every other legislative proposition, we want to employ a rule of reason which will do no one, citizen or alien, irremediable injury, but will work to the advantage of the people of the United States, tending to homogeneity, and advancing the interests most especially of those who labor with their hands.

ADMISSION OF CANADIAN INDIANS

A third legislative accomplishment in immigration was a small bill over which there was much discussion, namely, the measure to admit in nonquota status American Indians born in Canada. When the immigration act of 1924 was passed no one dreamed that its exclusion provisions, referring to orientals, would be construed to apply to Canadian Indians. Such a construction was had, however, and remedial legislation became necessary. The crossing of the northern boundary of New York and adjoining States by these people has been thought to be a right since colonial times. It is now restored by the recent statute.

THE NATIONAL-ORIGIN PROVISION OF THE IMMIGRATION ACT OF 1924

The last immigration act to be mentioned, which was really the first to be enacted, is the resolution postponing for another year the operation of the national-origin provision of the immigration act of 1924. This is an involved and technical matter concerning which many earnest and conscientious supporters of immigration restriction are in disagreement. The House of Representatives did not favor the national-origin proposition at the outset, and, in my opinion, the House would repeal it instanter if given an opportunity. The Senate, on the other hand, has been convinced of its merit. In view of this disagreement the best that could be done was to afford the scientists of the State, Commerce, and Labor Departments another year in which to study its workings. The matter will come up again next winter. I believe that a plan can be worked out by which none of the countries whose present immigration quotas are 10,000 or less will be cut down; that immigrants from these countries, which include Sweden, Norway, Finland, Denmark, Italy, and some others, will be permitted to come as family units. This adjustment and the restriction from Mexico will round out and make complete the immigration act of 1924, which is now generally conceded to have been a great blessing to the United States.

EMERGENCY OFFICERS' RETIREMENT BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on day before yesterday the enlisted men of the World War—those millions of brave, patriotic boys who constituted the rank and file of the American forces during that conflict—received a most cruel slap from the Congress of the United States, when it passed over the President's veto the Tyson-Fitzgerald so-called emergency officers' retirement bill, which reverses one of the most sacred and time-honored of American policies, and pensions ex-service men according to rank and not according to their disabilities.

President Coolidge is not of my political party. I differ from him on the great fundamental principles of government which separate the two major parties in America. But I must con-

fess that the American people, and especially the ex-service men, owe him a lasting debt of gratitude for his patriotic attempt, through the exercise of his veto power, to save this most sacred policy of American institutions.

The private soldier who went to war inspired by a desire to do his patriotic duty toward "making the world safe for democracy," who did not pause to ask for a commission, who was interested more in fighting for his country than he was in promoting his own personal welfare, must turn sick at heart when he realizes what this bill means to him.

By the inspired propaganda, put out by a little group of selfish ex-officers, the American Legion has been misled, the ex-service men from the rank and file have been betrayed, and Congressmen have been deceived into capitulating, surrendering their convictions, and voting for one of the most pernicious measures that a well-organized, selfish lobby has ever been enabled to place upon the statute books of this Republic.

If every Member of Congress had voted his convictions, as expressed by him in private and in the cloakroom, instead of overriding the President's veto it would have been sustained by a vote of at least three or four to one. It has been one of the saddest experiences of my official career to hear men, not just one or two, but dozens of them, admit the viciousness of this legislation, condemn it in the most positive terms, and then show their lack of moral courage to oppose it and vote their convictions on it. In the face of the record, with the facts known, we saw men vote on the floor of the House to override the veto and then walk into the cloakroom and there admit that they were ashamed of their votes.

But they gave as their reasons that they had promised somebody, sometime, somewhere, to vote for this measure, about which they admitted they had been deceived and the contents of which they did not know, until it came to the floor of the House, where for the first time the opponents of the measure were given a public hearing.

The American Legion posts with which we took this measure up and asked them to study it, discuss it, and then vote upon it, and which complied with our request, came back and repudiated it in no uncertain terms. Yet, a few alleged leaders in the Legion have brought this pressure to bear through propaganda, distorted the very fundamental purpose for which the Legion was organized, and have done the country more harm at one blow than they could do it good for the next 50 years unless they should get behind a movement to repeal this iniquitous law and restore to the statute books of this country those fundamental principles of equality and justice which have actuated and inspired our soldiers in every conflict from the beginning to the present time.

What does this bill do? It creates a military aristocracy in times of peace. It marks the beginning in America of that European autocracy which it almost exhausted the manhood and resources of the world to destroy. It gives the lie to the statement that we fought the war to make the world safe for democracy. With all of the brazen affrontery of an act of the old German Reichstag, it pensions men according to rank instead of according to disability—thus beginning a military autocracy in times of peace.

This bill was voted out of the Veterans' Affairs Committee of the House, as the record will show, by a vote of 8 to 7. One of those eight men, who cast the deciding vote, goes on the pension roll under this bill at $187.50 a month or $2,250 a year for life, although he is now drawing a salary from the Government of $10,000 a year.

Under this bill, while a private soldier with a 30 per cent disability will get $30 a month, or $360 a year so long as he can prove his disability exists—

A second lieutenant with a 30 per cent disability will get $93.75 a month, or $1,125 a year, for life, whether he recovers from his disability or not.

A first lieutenant with a 30 per cent disability will get $125 a month, or $1,500 a year, for life, whether he recovers or not.

A captain with a 30 per cent disability will get $150 a month, or $1,800 a year, for life, whether he recovers or not.

A major with a 30 per cent disability will get $187.50 a month, or $2,250 a year, for life, whether he recovers or not.

A lieutenant colonel with a 30 per cent disability will get $218.75 a month, or $2,525 a year, for life, whether he recovers or not.

A colonel with a 30 per cent disability will get $250 a month, or $3,000 a year, for life, whether he recovers or not.

A brigadier general with a 30 per cent disability will get $375 a month, or $4,500 a year, for life, whether he recovers or not.

While the enlisted man with the same disability of 30 per cent will get only $30 a month, or $360 a year, and that only as long as he can prove that his disability exists.

Read those figures to the enlisted men who sacrificed just as much, who are just as worthy, just as patriotic, just as brave, and just as intelligent as the men who secured commissions and for the pecuniary benefits of a small group of whom this unjust legislation has been enacted.

But here is the "most unkindest cut of all." It discriminates against the sacred dead, who, as Lincoln said, "gave the last full measure of devotion" upon the field of battle, or who have died since the war closed.

It ignores the widows and orphans of those officers, as well as enlisted men, who were killed at the battle front and leaves them to secure their compensations on the basis of the compensation now allowed for the dependents of enlisted men. If we are going to compensate men according to their disabilities, surely we can not justify in reason, common sense, or common honesty the pensioning of a captain at $1,800 a year, a major at $2,250 a year, or a colonel at $3,000 a year with an alleged 30 per cent disability and at the same time deny any pittance of those benefits to the widows and orphans of men of the same rank or of enlisted men who died on the firing line in France.

In order that the ex-service men who chance to read this RECORD may understand what this bill does, I am inserting a list of its beneficiaries now employed by the Veterans' Bureau, showing the salaries they are now drawing, the pensions they are receiving, and the pensions to be received by them under this bill.

I am also inserting a list of the beneficiaries in the State of Mississippi, which is typical of all the States. These lists were prepared by the Veterans' Bureau and were inserted in the CONGRESSIONAL RECORD, along with the lists of all the other States, by Senator BINGHAM, of Connecticut, himself an ex-service man of the World War and an ex-officer in the Aviation Corps.

Our Government is getting too far from the people; and unless they wake up and make their influence felt in Washington I fear that our sacred American institutions can not long endure.

All of the ex-officers of the World War are not in favor of this bill. In fact, a vast majority of them are opposed to it. Some of the best speeches made in opposition to it in the debate on the floor of the House were made by ex-officers, some of whom were wounded on the battle front. Those ex-officers who believe in the fundamental principles of Americanism and American institutions must shudder with disgust when they understand this legislation and realize that it was put over in their names. Those enlisted men who patriotically responded to the call must feel a pang of sorrowful disappointment at the treatment which they have received at the hands of the American Congress. They must derive little satisfaction indeed from a realization of the fact that they have thus been misrepresented and mistreated at the hands of the Members of Congress, who are supposed to protect them against the very violent and unjust discriminations which this bill imposes.

The widows and orphans of those who died in the cause must turn their sorrow-stricken faces to the chair made vacant by the family fireside and weep the tears of broken hearts when they come to realize that Congress has thus ignored them, discounted the sacrifices their loved ones made, repudiated the very principles for which they fought, in order to yield to the penurious demands of a small group of survivors who are already being taken care of infinitely better than are the loved ones of those heroes who made the supreme sacrifice.

Last, but not least, as I pointed out on the floor the other day, the broken-hearted mother, clothed in the weeds of mourning, who stands by the tomb of the Unknown Soldier, weeping for one who never returned but who made the supreme sacrifice in a moment of his country's peril, sorrowing for that loved one upon whose shoulders she had hoped to lean for support and protection in her declining days, must have the bitter consciousness of knowing that this Congress, in this bill, has violently discriminated against him and against her. Whether he was an officer or an enlisted man, he and his loved ones are ignored and discriminated against by the provisions of this unjust legislation.

God grant that it may be the cause of the awakening of our people, and especially of our ex-service men, to a realization of the grave dangers into which our Government is drifting, and that it may arouse them to a demand for its repeal, and bring about a revival of that spirit which has actuated them in every great crisis of our country's history, that they may redeem our endangered institutions and restore our sound American policies.

EXHIBIT

Beneficiaries of the Tyson-Fitzgerald bill employed by the Veterans' Bureau, together with their rank, salary, extent of disability, amount of monthly compensation now received, and amount of monthly compensation if Tyson-Fitzgerald bill becomes a law

Number	Name and address	Rank	Salary	Extent of disability (partial permanent)	Amount of monthly compensation	Amount of monthly compensation if Tyson-Fitzgerald bill becomes law	Yearly pension under Tyson-Fitzgerald bill
				Per cent			
165794	Ale, John H., U. S. Veterans' Bureau, regional office, Indianapolis, Ind	First lieutenant	$4,200.00	85	$85.00	$125.00	$1,500.00
1009817	Aten, Everett Maxwell, Hospital No. 103, Aspinwall, Pa	Captain	2,500.00	40	40.00	150.00	1,800.00
1264597	Barnes, Geo., Hospital No. 102, Livermore, Calif	Second lieutenant	1,680.00	35	35.00	93.75	1,125.00
293958	Bittner, Earl Robt., U. S. Veterans' Bureau, regional office, Baltimore, Md	do	2,200.00	35	35.00	93.75	1,125.00
317876	Blackburn, John D., U. S. Veterans' Bureau, regional office, Atlanta, Ga	First lieutenant	[1] 3,142.00	50	50.00	125.00	1,500.00
1271880	Borden, Archibald D., U. S. Veterans' Bureau, regional office, Los Angeles, Calif	Major	3,800.00	55	55.00	187.50	2,250.00
411008	Boyd, Benj. D., Hospital No. 91, Tuskegee, Ala	First lieutenant	3,500.00	40	40.00	125.00	1,500.00
685146	Burstein, Louis L., U. S. Veterans' Bureau, regional office, Los Angeles, Calif	do	3,800.00	63	63.00	125.00	1,500.00
1321023	Campbell, Novel W., U. S. Veterans' Bureau, regional office, San Francisco, Calif	Captain	3,800.00	40	40.00	150.00	1,800.00
479058	Carling, John, Dr., U. S. Veterans' Bureau, regional office, Los Angeles, Calif	do	5,307.00	36	50.00	150.00	1,800.00
470804	Coumbe, Arthur G., Hospital No. 55, Fort Bayard, N. Mex	Major	3,900.00	64	64.00	187.50	2,250.00
487651	Diodati, Vincent M., U. S. Veterans' Bureau, regional office, Philadelphia, Pa	Captain	4,200.00	30	30.00	150.00	1,800.00
113746	Duncan, Miles J., U. S. Veterans' Bureau, regional office, Los Angeles, Calif	do	5,007.00	75	75.00	150.00	1,800.00
1123681	Durham, R. B., U. S. Veterans' Bureau, regional office, Columbia, S. C	do	4,200.00	32	50.00	150.00	1,800.00
1275983	Earnest, F. James Mahon, Portland, Oreg	Major	4,200.00	50	50.00	187.50	2,250.00
327132	Ellis, Luther E., U. S. Veterans' Bureau, regional office, Detroit, Mich	Captain	4,200.00	(1)	100.00	150.00	1,800.00
319963	Essenson, Oscar S., U. S. Veterans' Bureau, regional office, Los Angeles, Calif	do	4,000.00	45	50.00	150.00	1,800.00
380828	Eyerle, Sema Le Clere, U. S. Veterans' Bureau, regional office, Denver, Colo	Lieutenant, U. S. N. R. F.	3,900.00	30	50.00	150.00	1,800.00
369813	Feltham, Percy M., Central Office, Washington, D. C	Captain	4,200.00	67	67.00	150.00	1,800.00
452345	Ferguson, Jo. Marvin, Hospital No. 74, Gulfport, Miss	do	6,200.00	33	33.00	150.00	1,800.00
567006	Fitzgerald, Wm. Thos., U. S. Veterans' Bureau, regional office, New York, N. Y	Second lieutenant	3,900.00	71	71.00	93.75	1,125.00
1360619	Given, Ellis E. W., U. S. Veterans' Bureau, regional office, Philadelphia, Pa	Lieutenant colonel	[1] 3,000.00	68	68.00	218.75	2,625.00
583944	Grant, Harold R., U. S. Veterans' Bureau, regional office, Detroit, Mich	First lieutenant	2,700.00	74	74.00	125.00	1,500.00
416834	Greene, Fred B., U. S. Veterans' Bureau, regional office, Portland, Oreg	Captain	2,000.00	40	40.00	150.00	1,800.00
609646	Harrison, Edmund L., U. S. Veterans' Bureau, regional office, Charleston, W. Va	First lieutenant	3,300.00	55	55.00	125.00	1,500.00
328104	Hindman, Samuel, U. S. Veterans' Bureau, regional office, Cleveland, Ohio	Captain	4,000.00	59	59.00	150.00	1,800.00
603154	Howard, John F., U. S. Veterans' Bureau, regional office, Denver, Colo	do	4,200.00	55	55.00	150.00	1,800.00
1094334	Johnson, Edwin M., U. S. Veterans' Bureau, regional office, Washington, D. C	do	4,400.00	44	44.00	150.00	1,800.00
309568	Johnson, Erik St. John, U. S. Veterans' Bureau, regional office, Boston, Mass	do	4,200.00	44	44.00	150.00	1,800.00
528515	Keeler, Claude C., Hospital No. 106, Fort Snelling, Minn	do	5,000.00	88	88.00	150.00	1,800.00
617221	Kendall, William Eugene, U. S. Veterans' Bureau, regional office, Chicago, Ill	Major	5,200.00	60	40.00	187.50	2,250.00
1090136	Lazenby, Earl K., U. S. Veterans' Bureau, regional office, Charlotte, N. C	Captain	3,918.00	40	67.00	150.00	1,800.00
318761	Loewy, Ignatz D., U. S. Veterans' Bureau, regional office, Phoenix, Ariz	Major	5,800.00	(1)	100.00	187.50	2,250.00
1230898	Maher, Harry E., U. S. Veterans' Bureau, regional office, Fargo, N. Dak	First lieutenant	2,900.00	50	50.00	125.00	1,500.00
860177	Malone, Will H., jr., U. S. Veterans' Bureau, regional office, Atlanta, Ga	do	4,200.00	61	61.00	125.00	1,500.00
472152	McCulloch, David Coyle, U. S. Veterans' Bureau, regional office, Los Angeles, Calif	Captain	4,000.00	30	50.00	150.00	1,800.00
445400	McKnight, James L., Hospital No. 51, Tucson, Ariz	First lieutentant	4,200.00	50	50.00	125.00	1,500.00
1242952	Mollison, Wm. T., U. S. Veterans' Bureau, regional office, Minneapolis, Minn	Colonel	3,000.00	31	31.00	250.00	3,000.00
364656	Newquist, Daniel C., U. S. Veterans' Bureau, regional office, Des Moines, Iowa	Captain	2,740.00	79	79.00	150.00	1,800.00
403973	Partington, Cyrus B., U. S. Veterans' Bureau, regional office, Denver, Colo	First lieutenant	4,500.00	37	50.00	125.00	1,500.00
1405707	Patton, John R., U. S. Veterans' Bureau, regional office, Boston, Mass	Captain	3,900.00	65	65.00	150.00	1,800.00
313793	Penrose, Thos. Wm., U. S. Veterans' Bureau, regional office, Philadelphia, Pa	Major	3,600.00	47	47.00	187.50	2,250.00
296969	Richeson, Austin B., U. S. Veterans' Bureau, regional office, Portland, Oreg	do	2,700.00	51	51.00	187.50	2,250.00
436813	Ruth, Lloyd A., U. S. Veterans' Bureau, regional office, Minneapolis, Minn	Second lieutenant	2,750.00	70	70.00	93.75	1,125.00
1231432	Sansing, Campbell, U. S. Veterans' Bureau, regional office, Dallas, Tex	First lieutenant	3,900.00	36	36.00	125.00	1,500.00
338718	Schwarz, Theodore E., Hospital No. 103, Aspinwall, Pa	Major	4,000.00	44	44.00	187.50	2,250.00
365002	Seibert, David A., U. S. Veterans' Bureau, regional office, Seattle, Wash	First lieutenant	3,600.00	68	68.00	125.00	1,500.00
528920	Sherry, Cameron B., U. S. Veterans' Bureau, regional office, San Antonio, Tex	Second lieutenant	3,000.00	54	54.00	93.75	1,125.00
467751	Small, John Jos., U. S. Veterans' Bureau, regional office, Philadelphia, Pa	Captain	3,600.00	70	70.00	150.00	1,800.00
223707	Smith, Dallas B., Central Office Insurance Division	Lieutenant colonel	6,000.00	56	56.00	218.75	2,625.00
313817	Steindler, Leo F., U. S. Veterans' Bureau, regional office, Baltimore, Md	Captain	3,800.00	77	77.00	150.00	1,800.00
1124621	Sullivan, Claude H., U. S. Veterans' Bureau, regional office, Charlotte, N. C	First lieutenant	4,000.00	48	48.00	125.00	1,500.00
1339479	Von Dahn, Howard C., Hospital No. 63, Lake City, Fla	Captain	6,200.00	35	35.00	150.00	1,800.00
283048	Wakefield, John D., U. S. Veterans' Bureau, regional office, Cincinnati, Ohio	do	3,900.00	35	35.00	150.00	1,500.00
274034	Weltner, Fred P., U. S. Veterans' Bureau, regional office, Charleston, W. Va	Major	[1] 2,400.00	42	42.00	187.50	2,250.00
322616	Wheeler, William D., U. S. Veterans' Bureau, regional office, Newark, N. J	Captain	2,600.00	61	61.00	150.00	1,800.00
405430	Whitledge, Herbert E., Hospital No. 79, Outwood, Ky	do	6,278.00	63	63.00	150.00	1,800.00
1069534	Woods, Phillip H., U. S. Veterans' Bureau, regional office, Philadelphia, Pa	do	4,200.00	35	35.00	150.00	1,800.00
349167	Wyatt, Frederick L., U. S. Veterans' Bureau, regional office, Birmingham, Ala. (mobile station).	do	3,200.00	60	60.00	150.00	1,800.00

[1] Partial temporary.

Beneficiaries, by States, showing names, addresses, occupations, dates of birth, extent of disability, monthly compensation now paid by the Government, and the proposed monthly payment under the passage of the Tyson-Fitzgerald bill

MISSISSIPPI

Name	Address	Occupation	Birth year	Extent of disability	Monthly compensation now paid	Proposed monthly pay under Tyson-Fitzgerald bill	Yearly pension under Tyson-Fitzgerald bill
Adams, Winfred	1110 Jackson St., Corinth, Miss	No occupation given	1888	Permanent partial, 35 per cent	$35.00	$150.00	$1,800.00
Akin, Laurence R	U. S. veterans' hospital, Gulfport, Miss	Sales clerk, heavy commodities.	1888	Permanent total	100.00	125.00	1,500.00
Austin, Barnett D	400 Elm St., Greenwood, Miss	Physician	1864	do	100.00	150.00	1,800.00
Aycock, Wm. J	Box 5, Derma, Miss	do	1888	Permanent partial, 58 per cent	58.00	125.00	1,500.00
Beams, Douglas E	210 Hunt Ave., Greenville, Miss	Lawyer	1880	Permanent total	100.00	150.00	1,800.00
Bennett, Harvey E	U. S. Veterans' Hospital No. 74, Gulfport, Miss.	Mining engineer	1886	do	100.00	125.00	1,500.00
Blank, Guy B	Red Lick, Miss	Foreman construction	1890	Permanent partial, 45 per cent	45.00	93.75	1,125.00
Burns, Joseph S	23 Orange St., Natchez, Miss	Carpenter	1877	Permanent total	100.00	187.50	2,250.00
Coker, Perry A	Brookhaven, Miss	Barber	1887	Permanent partial, 35 per cent	35.00	125.00	1,500.00
Crawley, David E	Kosciusko, Miss	Lawyer	1886	Permanent partial, 56 per cent	56.00	150.00	1,800.00
Curtis, Thomas M	600 Walnut St., Hattiesburg, Miss	Salesman	1862	Permanent partial, 65 per cent	65.00	150.00	1,800.00
Ferguson, Jo. Marvin	U. S. veterans' hospital, Gulfport, Miss	Physician	1877	Permanent partial, 33 per cent	33.00	150.00	1,800.00
Gray, Robert E	Rt. No. 2, Box 46, Gulfport, Miss	do	1880	Permanent total	100.00	125.00	1,500.00
Griffin, Garnett W	1009 33d Ave., Gulfport, Miss	Salesman, light samples	1893	Permanent partial, 56 per cent	56.00	150.00	1,800.00
Hall, Rolland D	181 Glen Mary St., Jackson, Miss	Student	1897	Permanent partial, 50 per cent	50.00	125.00	1,500.00
Hassley, Dennis	1215 Main St., Vicksburg, Miss	No occupation given	1876	Permanent total	150.00	150.00	1,800.00
Henson, Edward N	Philadelphia, Miss	Student	1893	Permanent partial, 79 per cent	79.00	125.00	1,500.00

Beneficiaries, by States, showing names, addresses, occupations, dates of birth, extent of disability, monthly compensation now paid by the Government, and the proposed monthly payment under the passage of the Tyson-Fitzgerald bill—Continued

MISSISSIPPI—continued

Name	Address	Occupation	Birth year	Extent of disability	Monthly compensation now paid	Proposed monthly pay under Tyson-Fitzgerald bill	Yearly pension under Tyson-Fitzgerald bill
Houtz, Burmond C	Canton, Miss	Not given	1895	Permanent total	$100.00	$93.75	$1,125.00
Howell, Henry	Hospital No. 74, Gulfport, Miss	No occupation	1889	do	100.00	125.00	1,500.00
Johnson, John H	Brookhaven, Miss	Physician	1856	Permanent partial, 62 per cent	62.00	187.50	2,250.00
Kellis, John H	Shuquabak, Miss	do	1892	Permanent partial, 40 per cent	40.00	125.00	1,500.00
Lofton, Albert C	Lucien, Miss	do	1878	Permanent partial, 42 per cent	42.00	125.00	1,500.00
McHenry, Wiley E	R. F. D. No. 3, Box 74, Soso, Miss	Farmer	1876	Permanent total	100.00	93.75	1,125.00
McKinley, Walter	Columbus, Miss	Physician and surgeon	1872	do	150.00	150.00	1,800.00
McVey, Eric A	Lambert, Miss	Physician	1889	Permanent partial, 50 per cent	50.00	150.00	1,800.00
Miller, Francis L	Box 192, Hattiesburg, Miss	Student	1895	Permanent partial, 64 per cent	64.00	93.75	1,125.00
Moore, John S	Magnolia, Miss	Physician, surgeon	1879	Permanent partial, 61 per cent	61.00	125.00	1,500.00
Moore, William M	604 Jackson Ave., Yazoo City, Miss	Retail dealer, general stores.	1887	Permanent partial, 75 per cent	75.00	150.00	1,800.00
Murphy, James B	U. S. Veterans' Hospital No. 74, Gulfport, Miss.	Not given	1889	Permanent total	60.00	93.75	1,125.00
Onsley, Benjamin L	Tougaloo, Miss	No occupation	1892	do	100.00	93.75	1,125.00
Powell, Henry B	Ocean Springs, Miss	Physician	1865	Permanent partial, 42 per cent	42.00	150.00	1,900.00
Roberts, Curt E	Tutwiler, Miss	Student	1895	Permanent partial, 79 per cent	79.00	93.75	1,125.00
Rolla, Oliver E	214 Morgan Lane, Pascagoula, Miss	Proprietor of barber shop	1892	Permanent partial, 34 per cent	34.00	125.00	1,500.00
Schwam, Walter M	U. S. veterans' hospital, Gulfport, Miss	Stenographer	1898	Permanent total	20.00	93.75	1,125.00
Schwartz, Grover C	Iuka, Miss	Clergyman	1886	Permanent partial, 79 per cent	79.00	125.00	1,500.00
Sellers, Wm. LeR	U. S. veterans' hospital, Gulfport, Miss	Student	1892	Permanent total	100.00	125.00	1,500.00
Varnado, Samuel R	do	No occupation	1888	do	100.00	150.00	1,900.00
Wooton, Chancellor	U. S. Veterans' Hospital No. 74, Gulfport, Miss.	Instaward sanitary inspector.	1880	do	100.00	125.00	1,500.00
Worrell, Magners L	Vicksburg, Miss	Civil engineer	1871	do	100.00	150.00	1,800.00
Yates, Riley B	Care of Milsap College, Jackson, Miss	Physician	1888	Permanent partial, 30 per cent	30.00	150.00	1,800.00

SAN FRANCISCO AND THE HETCH HETCHY

The SPEAKER pro tempore. Under the special order the gentleman from California [Mr. WELCH] is recognized for 30 minutes.

Mr. WELCH of California. Mr. Speaker and Members of the House, the city of San Francisco has recently received some unpleasant publicity and unjust criticism, due chiefly to certain public utterances of Mr. Stephen T. Mather, Director of the National Park Service, and Congressman CRAMTON, of Michigan, concerning the manner of fulfillment by the city of certain requirements of a congressional act, and referred to as the Raker Act.

The gentlemen mentioned have done San Francisco great harm by their public declaration to the effect that San Francisco has failed to live up to the obligations of the Raker Act, and both of them have intimated that unpleasant consequences are in store for the city if these obligations are not promptly carried out in accordance with their own particular ideas.

The temperamental Director of the National Park Service may be excused, as he is far from rational on many things less serious than his silly attempt to make a Coney Island joy land out of San Francisco's $120,000,000 water system.

The gentleman from Michigan [Mr. CRAMTON], at the behest of his friend, Director Mather, on Saturday last made an unjust and unwarranted attack on the city of San Francisco. Were it not for his previous record of maintaining for the rights of the people against private greed, I would be inclined to the belief that his vitriolic and unjust attack was inspired by the Hydroelectric Power Trust, that infamous "octopus," whose slimy tentacles reach into every electric-power producing stream from Maine to California.

For the purpose of making clear the circumstances leading to the passage of the Raker Act, the obligations imposed upon the city and county of San Francisco by the act, the extent to which these obligations have already been complied with by the city and county of San Francisco, and San Francisco's program for compliance with the remaining obligations, I desire to address the House on the subject.

On the 19th day of December, 1913, President Wilson signed the bill which had been passed by both Houses of Congress, and which was vitally necessary to the continued growth and prosperity of the City of San Francisco.

The purpose of this bill was to enable San Francisco to proceed with a great water-supply and electric-power development designed to serve the fast-increasing needs of the city and such of the surrounding metropolitan area as might see fit to join with San Francisco in that development for many years into the future. This bill is commonly known as the Raker Act, after the late Congressman Raker, who introduced it on behalf of San Francisco, and it will be referred to by that name in this discussion.

The title of the act is—

An act granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes.

The primary purpose of the city and county of San Francisco in securing this legislation was to obtain the right to use for reservoir purposes the Hetch Hetchy Valley and Lake Eleanor, both of which are located in the Yosemite National Park.

San Francisco, from the beginning of its history as a large city, has been supplied with water by a private corporation, the Spring Valley Water Co., from sources located on the San Francisco Peninsula and across the bay in Alameda and Santa Clara Counties.

The Hetch Hetchy grant was secured after a long-drawn-out fight between the city of San Francisco and the Hydroelectric Power Trust, fighting in the background, as it always does, and using every trick and device known to corporate greed to defeat the bill by reason of the fact that it gave to San Francisco under section 6 of the act the right to develop hydroelectric power.

In April, 1906, only a few years before the passage of the Raker Act, San Francisco was practically destroyed by earthquake and fire. An area of 5 square miles in the very heart of the city was reduced to ashes, with a property loss of hundreds of millions of dollars. This tremendous loss was largely due to an inadequate water supply. This fact was naturally disregarded by the city's adversaries, the Power Trust, who, in an attempt to break the spirit of San Francisco and send their representatives home without relief from Congress, injected into the bill most absurd restrictions and inequalities such as have never been imposed on any other American city by Congress.

By way of contrast, it is interesting to remember that when the city of Los Angeles decided upon the Owens River as the source of its greater water supply it had no difficulty in obtaining congressional action granting the necessary rights of way, and the Owens River project of the Reclamation Service for irrigation of lands in Inyo County was abandoned in order that the water might be put to a higher use for the benefit of the greatest number of people. No onerous conditions whatever were imposed upon Los Angeles by Congress.

The city of Portland, Oreg., obtains its water supply from a mountain watershed of 102 square miles, nearly all of which is Government land. By an act of Congress approved April 28, 1904, this watershed was absolutely closed to all persons except forest rangers, Federal and State officers in the discharge of their duties, and the employees of the water board of the city of Portland in the discharge of their duties. No restrictions whatever were imposed upon Portland.

San Francisco has received so much less at the hands of the Government that she well deserves the fullest cooperation of the Government in the utilization and enjoyment of what she has been granted.

San Francisco, under the act, is required to pay to the United States forever and a day, unless relieved by Congress, the sum

of $30,000 per year for the privilege of impounding and using water that was running unharnessed into the Pacific Ocean.

San Francisco under the Raker Act was required to build and maintain a comprehensive system of roads around and through the Hetch Hetchy Valley.

The United States Government has during the past several years appropriated nearly three-quarters of a billion dollars for highway construction. This wise and just policy was adopted to assist States and subdivision States to build just such roads as are provided for in the Raker Act. Congress has also appropriated $71,000,000 to build roads within forest reserves, such as Yosemite Valley and Hetch Hetchy Valley. The Raker Act specified that San Francisco was required to build at her own expense wagon roads and trails. Now, these self-constituted spokesmen for the Government extravagantly demand that San Francisco must shoulder the cost of building boulevards and high-class automobile roads over this extensive area.

Mr. GARBER. Mr. Speaker, will the gentleman yield there?

Mr. WELCH of California. I would rather not.

Mr. GARBER. Was not the construction and completing of the road a desirable thing?

Mr. WELCH of California. My time is limited. I shall be glad to answer questions when I have finished my statement.

In 1913, when the Raker Act was passed, automobiles were not permitted within the Yosemite National Park or the Stanislaus National Forest. San Francisco implored Congress to be allowed to develop a water-storage system in what was then a remote part of the Yosemite National Park.

Mr. CRAMTON. They were permitted in August, 1913.

Mr. WELCH of California. I said prior to August, 1913.

Mr. CRAMTON. The act was not passed until afterwards.

Mr. WELCH of California. That is a close distinction as to time.

The Hetch Hetchy Reservoir, known as the O'Shaughnessy Dam in Hetch Hetchy Valley, is approximately 38 miles from the world-famous Yosemite Valley; and prior to its development by the city of San Francisco was visited by but few people who made the arduous trip over mountain trails with saddle horses, pack horses, and mules. It was imperative for San Francisco to secure this grant in order to provide for the future growth and protection of that great seaport city, which is to-day second only to the great port of New York in foreign trade.

San Francisco in the past has been forced to loan vast sums of money collected from its taxpayers to assist the privately owned Spring Valley Water Co. to increase its water supply in order to meet growing demands for domestic water. San Francisco at a cost of several millions of dollars has installed an auxiliary salt water fire system in order to conserve our limited domestic water supply. San Francisco for years past has restricted the use of fresh water and has installed water meters in the homes and buildings of every consumer in the city.

Immediately on obtaining the rights granted by the Raker Act the city commenced work on its great project. A bond issue of $45,000,000 had been authorized by the voters of the city in 1910 and funds were available from the sale of these bonds. Surveys were completed, many miles of wagon roads and trails were constructed, a standard-gauge railroad 68 miles long was built, and a complete hydroelectric power system for the operation of construction machinery was developed. However, with the increasing difficulties of financing and later of securing labor and material, due to the World War, the progress of construction for several years was slow. This was followed later by a bond issue of $10,000,000, and on the second day of this month a further issue of $24,000,000, to complete new construction, and another of $41,000,000, to buy the Spring Valley Water Co.'s existing storage and distributing systems.

San Francisco proceeded immediately in a businesslike manner to complete first the work necessary for power development in the mountain division, which is 167 miles distant from the city, by the construction of the Hetch Hetchy Reservoir, which has been passed upon and is considered by the most eminent engineers one of the finest pieces of construction of its kind in the world.

This dam planned and built under the supervision of Mr. M. M. O'Shaughnessy, chief engineer of the city and county of San Francisco, is 334 feet high and has a present capacity of 67,000,000,000 gallons of water, equal to 206,000 acre-feet. The city plans to heighten this dam to capacity. It will then contain 113,000,000,000 gallons of water, equal to 348,000 acre-feet. Lake Eleanor, the second mountain reservoir, has a capacity of 9,000,000,000 gallons of water, or 28,000 acre-feet. The mountain division includes 93 miles of tunnels, built through solid granite, of diameters ranging from 10 feet 3 inches to 14 feet; also 73 miles of pipe with intervening small reservoirs.

San Francisco, prior to the earthquake and fire of 1906, had no bonded indebtedness and had the lowest tax rate of any large city in the United States. Since that date San Francisco has, by bond issues and direct taxation, spent over $125,000,000 in public improvements, including some of the finest school buildings in the world. San Francisco has built a city hall and civic center that has won the admiration of the world. In addition to the taxes necessitated by these great civic improvements San Francisco property holders are now paying the second highest water rate in the United States, exceeded only by the water rate in Oakland, our sister city.

San Francisco will get no immediate financial relief as a result of a municipality-owned water system obtained at the enormous cost of $120,000,000. The interest charge alone on the city's capital investment is around $5,000,000, which is approximately the amount of the gross receipts of the Spring Valley Water Co., which at present supplies the city with fresh water.

San Francisco, the richest per capita large city in the country, has been bled white industrially, largely through an inadequate water system, and was confronted with the problem of either providing a water supply for present and future needs, regardless of costs, or give notice to the world that no more people or industries could come within her gates.

The gentleman from Michigan in his castigation of our city charged that San Francisco has violated section 6 of the Raker Act and quoted the section which provides:

> That the grantee is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right to sell or sublet the water or the electric energy sold or given to it or him by the said grantee: *Provided*, That the rights hereby granted shall not be sold, assigned, or transferred to any private person, corporation, or association, and in case of any attempt to so sell, assign, transfer, or convey, this grant shall revert to the Government of the United States.

In support of the gentleman's construction of section 6 of the Raker Act he quoted Hon. James Rolph, jr., mayor of San Francisco; Hon. James D. Phelan, former mayor of San Francisco and former United States Senator; the late Hon. William Kent, former Member of Congress; Mr. Allen G. Wright, counsel for the San Francisco Chamber of Commerce; and myself when I was a member of the board of supervisors, the legislative body of the city and county of San Francisco, which resulted in the following colloquy:

> Mr. WELCH of California. Will the gentleman yield?
>
> Mr. CRAMTON. Yes.
>
> Mr. WELCH of California. I want to say that is absolutely correct, and I stand for the same principle and the same policy to-day.
>
> Mr. CRAMTON. I am very glad to know that.

And those who betrayed San Francisco's trust and were responsible for selling the power to the Pacific Gas & Electric Co., which is a part of the Hydroelectric Power Trust of the United States, were driven from office, and I took the platform and helped to drive them from office. [Applause.]

Since that time, three years ago, San Francisco has had the Pacific Gas & Electric Co. and the Great Western Power Co. before the Railroad Commission of the State of California, condemning their properties for the purpose of carrying out the provisions of the Raker Act. Ever since the defeat of these dilatory officials three years ago San Francisco has diligently and faithfully worked to effect the condemnation of the power distributing systems of both the Pacific Gas & Electric Co. and the Great Western Power Co. Hon. John J. O'Toole, city attorney of San Francisco, who is directing these condemnation proceedings, was elected on this very issue, and it is needless to say that he had my hearty support. During the past two years over 300 actual trial days have been occupied before the California Railroad Commission, taking of testimony having closed on March 15, 1928. As soon as the railroad commission fixes the valuation on the properties of these companies the question of their purchase by the city for the purpose of distributing by the city will be submitted to the people. This procedure has been stubbornly contested by the power companies, who are fighting the city every inch of the road. We have every hope that the price that the commission will decide upon will be approved by the people and the city's obligation to the Federal Government under the Raker Act fulfilled.

The gentleman from Michigan has charged that San Francisco has exceeded the authority granted it by the Raker Act in attempting to deny to campers, tourists, and fishermen the use of the storage reservoirs and the properties adjacent thereto. Let me assure the Members of the House that San Francisco

will violate neither the spirit nor the letter of the Raker Act in prohibiting the pollution of these waters now being used by hundreds of mechanics and laborers employed below the dam completing the construction of this great project.

San Francisco has lived and worked in peace and harmony with the numerous departments of the Federal Government ever since California was admitted into the Union. San Francisco, by reason of its strategic position and her great bay, is the scene of great governmental activities. Our officials and citizens have always given unstinted and hearty cooperation to every department of the Federal Government. The great Presidio Military Reservation is located entirely within our city. The children of the numerous officers and men have always enjoyed free and welcome use of our schools and public institutions. The city of San Francisco within the past year has at its own expense reconstructed main arteries of travel within the Presidio Reservation. [Applause.]

The harbor commissioners of the port of San Francisco have cooperated to the fullest extent with the Army and Navy in all their activities on the harbor front. The San Francisco Police Department cooperates whole-heartedly with the Department of Justice in the enforcement of all laws. The sheriff of San Francisco for years past has placed at the disposal of the United States marshal free use of the city's prison vans for transportation of Federal prisoners. The San Francisco Police and Fire Departments guard the United States mint and all other Federal properties with the same care as they protect their own municipal buildings. Every Federal official who has ever been stationed in San Francisco will attest the truth of these statements. [Applause.] This is the first time in the history of San Francisco that a charge has been made on the floor of Congress that San Francisco has failed to cooperate with the Federal Government.

The gentleman from Michigan visited the Hetch Hetchy Valley last summer. He saw with his own eyes the magnitude of this stupendous feat of engineering which has evoked the praises of America's foremost engineers. Yet throughout his long discourse of last Saturday we of San Francisco listened in vain for a single word of commendation, for one inkling of praise for the arduous work we have accomplished in the face of heartbreaking difficulties.

San Francisco, with an unconquerable spirit, arising from the staggering disaster of 1906, was compelled to reach up 167 miles into the Sierra Nevada Mountains for the water necessary to her very existence. Eminent foreigners, gazing upon the Hetch Hetchy Reservoir, have expressed to us their warmest sympathy and enthusiastic admiration. Yet one of our own countrymen, the gentleman from Michigan, regards it only with cynical disapproval. Though the hydroelectric "octopus" will persistently fix its envious glances upon this great fruit of our toil, the Hetch Hetchy project will stand, unconquered by corporate greed, an enduring monument to the collective effort and high ideals of a great American city. [Applause.]

"The mountain labored and brought forth a mouse." The gentleman from Michigan belabored San Francisco for one hour and five minutes and developed the fact that the chief engineer of the city of San Francisco caused an 8 by 10 poster to be placed near the Hetch Hetchy Reservoir notifying nimrods that they were not welcome.

In conclusion, I can assure the gentleman from Michigan that San Francisco will conscientiously conform to every provision of the Raker Act as construed by the Secretary of the Interior. [Applause.]

The SPEAKER pro tempore (Mr. NEWTON). The gentleman from Michigan [Mr. CRAMTON] is recognized under the special order for 10 minutes.

Mr. CRAMTON. Mr. Speaker, the other day, resulting from my responsibility in the last seven years in charge of appropriations for our national parks and the information that has come to me through the discharge of that duty, I made a speech in which I made three charges against the city of San Francisco with reference to its relation to the Raker Act concerning the Hetch Hetchy grant in the Yosemite; first, that the city of San Francisco, through its city engineer, was interfering with the administration of that great park by the Park Service and trying to stop the legitimate use of it by the public.

This notice, which the gentleman from California admits and belittles, and the accompanying press notices, if made effective, would have stopped the use of the Tuolumne watershed, at least half of the total area of the Yosemite National Park, by the public for camping and fishing, and the Raker Act was expressly meant to prevent and does prohibit San Francisco from ever doing that. That was my first charge. It stands admitted, and this thing will not be settled and San Francisco will not be on good terms with the Interior Department and the Government until the city of San Francisco ceases to interfere with the use of that park for the purposes for which it was created.

Secondly, I charged that the city of San Francisco was holding off and failing to build the roads that were expressly provided for in that act, estimated to cost $1,680,000. The gentleman admits they have not been built. In connection with the statement I then made as to the terms of the act and the assurances given Congress at the time it was enacted, I will reinforce what I presented then by inserting a letter written by the Secretary of the Interior to the city and county of San Francisco on May 18, the day before I made my address, and I had not at that time seen it. This letter contains an unanswerable statement of the obligations of the city of San Francisco under that act and an absolute demonstration of the justice of that which the Interior Department has been asking. The letter is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, May 18, 1928.

The CITY AND COUNTY OF SAN FRANCISCO,
Care of the City Attorney, San Francisco, Calif.

GENTLEMEN: In response to a formal request for compliance with certain obligations imposed by the act of December 19, 1913 (38 Stat. 242), commonly known as the Raker Act, made by letter of July 7, 1927, the city attorney for the city of San Francisco, on October 13, 1927, addressed to this department a statement of the contentions of the city with respect to these obligations.

Full and careful consideration of these contentions was had by the solicitor for this department, whose views are set forth in an opinion, a copy of which is inclosed (Appendix A). These views have been approved by the department.

The conclusion has been reached that the roads and trails required to be built and maintained by the city are such as would have been required had performance of these conditions been tendered by the city in 1913. This raises the question whether the requirements stated in the letter of July 7, 1927, were of roads and trails in excess of those standards.

As stated in the solicitor's opinion, the test is not only as to the kind of roads and trails which were necessary to make Yosemite National Park easily accessible to the public visiting said park in 1913 but includes the kind and quality of roads which would have been required to meet what would then have been regarded as a reasonable future need of the public in the park.

The contention of the city that the main roads leading into the Yosemite National Park and the main roads with which the roads required to be built would connect are to determine the standard of construction required can not be accepted as correct.

Data available indicate that in 1913 the United States owned only 46 miles of road in Yosemite National Park, all of which were in the Yosemite Valley or in the Mariposa big tree grove. There were also within the park approximately 106 miles of wagon road typical mountain roads which in many instances had so fallen into disrepair as to be impassible. The Tioga Road, referred to in the letter of the city attorney, was in that condition and the Big Oak Flat Road, also mentioned, was used to some extent by park visitors, but was not in a satisfactory condition. There was also a road from Groveland via Smith Station or Hamilton to Hog Ranch, which was a typical mountain road. One of the requirements of the Raker Act was that a road be build by the city over this latter route, which requirement necessarily meant that roads of that standard were not regarded as adequate.

During September, October, and November, 1912, the road on the floor of the Yosemite Valley from Pohono Bridge to Yosemite Village was graded and macadamized near Camp Ahwahnee. This road was macadamized to a width of 22 feet and from May to July, 1913, further work was done in that vicinity, the road being macadamized to a width of 16 feet. In May, 1913, work was started toward widening the El Portal Road between El Portal and Yosemite Valley from 10 feet to 25 feet, with a driveway 18 feet in width.

Certain of the foregoing work was of an experimental nature and consisted of covering a water-bound macadam road with a 2-inch bituminous coat. Two grades of bituminous material were tried, i. e., a road oil and also pure asphaltum, the top-wearing coat being 12 feet in width.

The fact that most of the roads within the Yosemite National Park were privately owned prevented much progress until said roads could be acquired by the United States, and limited appropriations for road building also deterred rapid development of roads, the need for which was recognized prior to 1913.

All the roads in and about the park in 1913 had been built long prior to that time, and solely for horse-drawn vehicular travel. It was recognized that these roads were unsafe for automobile travel, and it was not until August, 1913, that automobiles were permitted to enter Yosemite National Park. This was permitted as the result of repeated requests by automobile associations. The State of California built

its first automobile road in 1912, and by 1913 definite progress on such roads was being made.

All these facts were known when the Raker Act was passed, and in leaving to the Secretary of the Interior the right to specify the kind of roads to be built the Congress and the city plainly intended that he should specify roads of a kind which would care for not only present but future travel within the park. It is not believed that the city intends to assert that by the provisions in the Raker Act for roads to be built by it to important points within the park, said roads to be perpetually maintained, travel by a then established and rapidly growing mode was to be excluded from those areas. The purpose of the city, as stated in its brief in sppport of the Raker Act, was to make the park readily accessible to all the people, and the city, of course, now intends to do no less than that.

The notice of July 7, 1927, contemplated roads made of crushed rock with a water-bound macadam surface of 18 feet travelable width. The maximum grade was to be 8 per cent. In the case of the road formerly the bed of the railroad built by the city it was intended that this road be surfaced with asphalt penetration macadam. Should Cherry Valley be opened in the future by a road, then a road from Lake Eleanor to Cherry Valley of the above standards will be required.

The foregoing standards are not in excess of those which in 1912 and 1913 were being considered by the United States for Yosemite National Park.

These requirements are not met by the two roads built by the city for its own use, and its contention that said roads have heretofore been approved as satisfactory in that respect is not supported by the records.

No issue is raised as to trails required to be built.

The department, in view of the foregoing, repeats its request of July 7, 1927, that roads and trails of the kind specified be constructed without delay.

Meeting the request of the city for an extended program for road building, it is concluded that the order in which this work should be carried out is as follows:

1. Construct a trail along the north side of the Hetch Hetchy Reservoir and to Tiltill Valley and Lake Vernon. This work will probably require from 9 to 12 months for completion.

2. Construct the Harden Lake Road, which reasonably might require one year's time.

3. Construct the Hetch Hetchy-Lake Eleanor road. This work may possibly require 18 months.

4. Reconstruct and surface the road from Hog Ranch to the Hetch Hetchy Dam, which will probably require 6 months' time.

The foregoing program covers a period of four years, which is the time estimated by the city as necessary to complete the project so as to place the stored waters in actual use for domestic purposes. The city, however, is annually deriving from power development, revenues estimated at an excess of $2,000,000, which revenue for any one year will more than pay the cost of the roads required by the department.

In view of the foregoing it is concluded that the request for roads and trails heretofore made is a reasonable and proper one which should be met within the time specified.

In the matter of conveying lands to the United States, the contention of the city that it is not required to convey lands acquired by it after the passage of the Raker Act is recognized as correct.

The right of the city to retain for sanitation control or any other purpose lands not actually required for the works of its project, whether adjoining the reservoirs or elsewhere, can not be recognized since the Raker Act and the circumstances under which it was adopted clearly show that all lands then owned and not so required were to be conveyed to the United States as partial consideration for the grant made to the city.

If the city now contemplates the increasing of the heights of the dams at Hetch Hetchy or Lake Eleanor, it should so state, giving information as to the probable time when such work will be done and the need for the same. If such enlargement is approved, the flow lines of the enlarged reservoirs can be readily ascertained and the quantum of upland to be conveyed to the United States can then be determined.

With the exceptions above stated as to after-acquired lands, the request for conveyances of lands, made on July 7, 1927, is hereby repeated.

The city is requested to arrange at once for compliance with the foregoing requests, which are in conformance with an opinion of the Attorney General of the United States, whose duty to enforce the provisions of the Raker Act is created by said statute, rendered under date of May 16, 1928, copy of which is herewith inclosed.

Very truly yours,

HUBERT WORK, *Secretary.*

This letter shows the kind of roads that were contemplated by the department and should have been contemplated by the city at the time the city made its pledges. That matter of roads is going to be disposed of. San Francisco will build those roads, but not gracefully, as it should have done, after it was given a grant that Julius Kahn said saved the city $20,000,000, and is now giving them $2,000,000 in revenues from power. San Francisco does not do it gracefully, but San Francisco will now do it, because the Attorney General of the United States has sustained the position of the Secretary of the Interior and there is nothing left for the city of San Francisco to do but to do what the act promised and what is again demanded in the above letter from the Secretary to the city and county of San Francisco. The importance of these roads in the desired development of Yosemite National Park is emphasized in the following extract from a statement made by Horace M. Albright, field director of the National Park Service, before the Oakdale Dinner Club, at Oakdale, Calif., Wednesday evening May 16, as reported by the Stockton (Calif.) Record of May 17. Mr. Albright said:

The Nation, as a whole, is vitally interested in the general development of Yosemite National Park from the north rim of Yosemite Valley to the south rim of the Grand Canyon of the Tuolumne River. This remarkable scenic country has been dormant for many years in a manner that has limited travel to an area unsurpassed in beauty by any other region of the park. Our major problem now facing the National Park Service is the fulfillment of the obligations of the city and county of San Francisco under the Raker Act. There is little justification for the National Park Service in the eyes of the Nation spending $1,800,000 in the reconstruction of the Big Oak Flat Road if our natural development of the entire area is limited by the refusal of San Francisco to open up one of the greatest recreational regions in the park. We can not proceed with the proposed reconstruction of the new Tioga Road, at an estimated cost of $2,000,000, when our future development program is definitely blocked by San Francisco's refusal to recognize her just obligations to build a modern connecting road from the Tioga to Hetch Hetchy or the failure to provide a high standard automobile road to the wonderful fishing grounds at Lake Eleanor.

In this connection, I feel that the people of Oakdale, Stockton, and this entire region should assist in urging San Francisco's compliance with the Raker Act. If your communities are to reap the full benefits of tourist travel to Yosemite, it should behoove you to move toward the quickest solution of the Hetch Hetchy problem that will sweep away one of the great difficulties facing the National Park Service in the rebuilding of the Bib Oak Flat Road and the whole development of the country lying between Yosemite Valley and the south bank of the Tuolumne River.

The gentleman from California began his address by an attack on Mr. Mather, Director of the National Park Service, that was entirely unworthy of the gentleman from California. Mr. Mather is one of the most generous, zealous, devoted, high-minded, and patriotic men in the Government service, but the gentleman from California saw fit to belittle him most improperly. Then, with a very limited amount of argument in his address, he began by attacking me, first charging that I spoke at the behest of some on else, and second, he did not charge—the gentleman from California knew I was on the floor of the House and Mr. Mather was not—he did not charge that I was controlled by this superhydroelectric Power Trust, but he intimated it. Well, is not that a ridiculous charge to make, in view of the fact that I voted for the Raker Act, which the gentleman himself says was fought by that Power Trust. Secondly, that I am now seeking to put an end to the unlawful contract by which the city of San Francisco has turned over to the Pacific Gas & Electric Co., which the gentleman from California himself says is a branch of that Power Trust—I am seeking to put an end to the contract between the city of San Francisco and that branch of the Power Trust by which that branch of the Power Trust gets all of the power developed at the Hetch Hetchy and resells it to the people of San Francisco at a tremendous advance. Trying to put an end to it, how is that serving the Power Trust? The gentleman is like some of these fish in the water which, when they seek to make their escape, muddy the waters, and so he seeks to divert you from the argument of the case by a suggestion entirely unworthy of him, ringing in talk of the Power Trust that no doubt does very well in San Francisco politics.

Mr. WELCH of California. Will the gentleman yield?

Mr. CRAMTON. Not for a statement, but just for a question.

Mr. WELCH of California. I desire to disabuse the gentleman's mind if possible of the idea that I had any intention of associating the gentleman with the Hydroelectric Power Trust.

Mr. CRAMTON. Then there was no occasion for the gentleman to mention me in connection with the Power Trust. The gentleman has not served here long. If the gentleman had, he would know that I do not speak or act at the behest of anyone, and if the gentleman had been long absent from the Board of Supervisors of San Francisco County he would realize that in this Hall argument instead of besmirching and questioning of methods is necessary.

Now, as to the third matter, the matter of the contract of the power company, the lady from California [Mrs. KAHN] in an admirable address the other day [applause] presented a state-

ment from the city attorney of San Francisco, Mr. O'Toole, that was of importance with reference to this issue. That telegram was as follows:

SAN FRANCISCO, CALIF., *May 19, 1928.*

Hon. FLORENCE P. KAHN,
Representative in Congress,
Fourth Congressional District of California,
House Office Building, Washington, D. C.:

Distribution through the agency of Pacific Gas & Electric Co. to the people in San Francisco was approved as a temporary expedient by Department of Interior in July, 1925. Immediately after this approval my office proceeded to condemn local distribution systems of Pacific Gas & Electric Co. and Great Western Power Co. During past three years these proceedings have been before railroad commission, and during past two years more than 300 actual trial days have been occupied before commission. More than 5,000 folios of oral testimony have been taken, in addition to hundreds of exhibits filed by city and companies. Taking of testimony closed on March 15 and each side allowed 90 days for preparation of briefs, which will be filed by June 15, when matter will be submitted to commission for decision. As soon as railroad commission fixes valuation of properties of these companies question of their purchase by city for the purpose of distribution by city of Hetch Hetchy power will be submitted to people. You can assure the Congress that since the permission granted by the Department of Interior to distribute power through Pacific Gas & Electric Co. city has used every effort to obtain by condemnation local distributing systems. Both companies have resisted to the utmost our plans to acquire their properties, but have every hope that price to be fixed by commission will meet the approval of people and that these distribution systems will be obtained.

JOHN J. O'TOOLE, *City Attorney.*

You will note the direct statement therein concerning this contract, which I charge is unlawful and voids the whole Hetch Hetchy grant:

Distribution through the agency of Pacific Gas & Electric Co. to the people in San Francisco was approved as a temporary expedient by Department of Interior in July, 1925. Immediately after this approval my office proceeded to condemn local distribution systems of Pacific Gas & Electric Co. and Great Western Power Co.

City Attorney O'Toole, who must know the facts or else he is unworthy of his office, wired to his Representative in Congress that distribution through that agency was approved as a temporary expedient by the Department of the Interior in July, 1925, and in good faith the lady from California was led to present this statement to the House.

Mrs. KAHN. Will the gentleman yield?

Mr. CRAMTON. I yield.

Mrs. KAHN. I just want to say that I presented the original telegram which I received.

Mr. CRAMTON. I have not the slightest question but what it was the telegram as sent by the city attorney of San Francisco. I have known the lady long and I know she would not have presented any statement but what she thought was 100 per cent correct.

I intimated that day that I was not sure the statement was correct as to the approval by the Department of the Interior. I brought it to the attention of the Secretary of the Interior and I have a letter which I will put in the RECORD in full, in which the Secretary makes it clear that the statement of O'Toole was an absolute falsehood. I say falsehood because under the responsibility of his position as city attorney of San Francisco he must have known the statement he made was not true. I will only quote a sentence or two of the letter, but will put the entire letter in the RECORD.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. CRAMTON. Mr. Speaker, I will ask for five minutes more, if I may, in order to complete the statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMTON. This is the statement of the Secretary of the Interior:

At no time have I approved the contract referred to in the telegram. My approval was requested but I took no action either by way of approval or disapproval, desiring to have the opinion of the Attorney General before action.

Then he goes on to say that he submitted it to the Attorney General for an opinion. The Attorney General responded with the opinion I put in the RECORD the other day (CONGRESSIONAL RECORD, p. 9247) to the effect that—

It is not thought best that this department undertake to determine the legal controversy in advance should it arise.

Then the Secretary of the Interior wrote, not an approval, as Mr. O'Toole says, but a letter to the mayor of San Francisco, under date of August 19, 1925, in which the Secretary of the Interior expressly declined to express any opinion as to the legality or propriety of the contract in question; saying—

The Secretary should not act at this time, but must await such development of facts as will enable the Secretary to determine.

I am going to put both letters in the RECORD. They will fully substantiate my statement that O'Toole's statement in his telegram to the lady from California was untrue and he must have known it. The letters are as follows:

THE SECRETARY OF THE INTERIOR,
Washington, May 22, 1928.

Hon. LOUIS C. CRAMTON,
House of Representatives.

MY DEAR MR. CRAMTON: I have your letter of May 22, 1928, calling my attention to the telegram of the city attorney of San Francisco to Hon. FLORENCE P. KAHN, dated May 19, 1928, as the same appears in the CONGRESSIONAL RECORD of Saturday, May 19, 1928, page 9248, in which the following language appears:

"Distribution through the agency of Pacific Gas & Electric Co. to the people in San Francisco was approved as a temporary expedient by Department of Interior in July, 1925. Immediately after this approval my office proceeded to condemn local distribution systems of Pacific Gas & Electric Co. and Great Western Power Co. * * *"

You ask to be advised as to what action, if any, was taken by the Department of the Interior in July, 1925, or at any other time, with reference to the proposed sale of power by the city of San Francisco to the Pacific Gas & Electric Co., or to any other individual or corporation, for resale.

At no time have I approved the contract referred to in the telegram. My approval was requested, but I took no action either by way of approval or disapproval, desiring to have the opinion of the Attorney General before action.

I submitted the question whether the performance of the acts of the city and county of San Francisco under and by virtue of this agreement constitutes a violation of the so-called Raker Act, approved December 19, 1913 (38 Stat. 242), for the opinion of the Attorney General on July 20, 1925. The Attorney General rendered his opinion thereon under date of August 5, 1925, and this opinion is set out in full on pages 9246 and 9247 of the CONGRESSIONAL RECORD of Saturday, May 19, 1928.

Following the receipt by me of the opinion of the Attorney General I addressed a communication on August 19, 1925, to Hon. James Rolph, jr., mayor of San Francisco, a copy of which is hereto attached.

The contract has never been approved or disapproved by this department, and the matter stands as set forth in the letter of August 19, 1925.

Any additional information you may desire I shall be pleased to give to you upon request.

Sincerely yours,

HUBERT WORK.

THE SECRETARY OF THE INTERIOR,
Washington, August 19, 1925.

Hon. JAMES ROLPH, Jr.,
Mayor of San Francisco,
New Willard Hotel, Washington, D. C.

MY DEAR MR. MAYOR: The act approved December 19, 1913 (38 Stat. 242), does not require the Secretary of the Interior to approve or disapprove contracts such as the contract entered into between the city and county of San Francisco and the Pacific Gas & Electric Co., dated July 1, 1925.

It is the duty of the city and county of San Francisco at all times to comply with and observe on its part all the conditions specified in this act; and it is the duty of the Secretary of the Interior, in the event that the conditions specified in the act are not reasonably complied with and carried out, to report the facts, after notifying the city and county of San Francisco in writing, to the Attorney General for such suits or proceedings in the proper courts as the law and the facts in his opinion warrant. The Secretary should not act at this time, but must await such development of facts as will enable the Secretary to determine with a certainty whether or not this act is being reasonably carried out by the city and county of San Francisco.

The violation of the law, if any, is a fact evidenced by acts, and the Secretary must necessarily await a reasonable time until performance shall have indicated whether or not the acts of the parties constitute such a violation of the law as will make action on his part proper.

Very respectfully,

HUBERT WORK, *Secretary.*

Let me now suggest this for your consideration: If the city attorney of San Francisco would send a telegram to the lady from California for her to place before Congress with ref-

erence to this matter a telegram containing a deliberate misstatement of a material fact in the controversy, what confidence are we to have in the city attorney of San Francisco? What confidence shall we have in other statements he made in that telegram wherein he claimed that the city of San Francisco was proceeding in good faith to acquire a distribution system to dispose of their own power?

Mr. SCHAFER. Will the gentleman yield?

Mr. CRAMTON. I yield for a question.

Mr. SCHAFER. Perhaps, if the telegram is incorrect, it may have been through an inadvertence and not a deliberate misstatement; and perhaps the statement of the Secretary of the Interior may be just as incorrect as Mr. O'Toole's.

Mr. CRAMTON. These wanderings in the azure blue of the gentleman's mentality have nothing to do with the case. The telegram is explicit. It is a matter that should be within the personal knowledge of the city attorney of San Francisco if he is attending to his job, and the letters I insert from the Secretary of the Interior to me and to the mayor of San Francisco are so clear and positive as to leave no doubt as to the question.

Mr. SCHAFER. Will the gentleman yield for a short question?

Mr. CRAMTON. Yes; for a short question, if the gentleman has one.

Mr. SCHAFER. Has the gentleman gone down to the Interior Department and inspected all the files so he can be absolutely sure that there is no misstatement in the letter of the Secretary of the Interior?

Mr. CRAMTON. I have the letter, that is a direct and positive statement and also a copy of the letter sent to the mayor of San Francisco, which is said to be the approval but which letter itself shows was not an approval but a definite declination of any action whatever with reference to the matter.

Now, I do not want to take further time. We have important business in another part of the town to-day and I want to be there. I simply desire to close by summarizing the situation.

First. As to sanitation. San Francisco has not a scintilla of authority under the Hetch Hetchy act to administer any part of the Yosemite National Park with a view to protection of the purity of the Hetch Hetchy water. The very limited regulations mentioned in the Raker Act are to be administered by the National Park Service and not by the officials of San Francisco. And those regulations do not prohibit fishing and camping in the Tuolumne watershed, and it was the intention of Congress that they should not. It will be well if San Francisco explain to her O'Shaughnesseys and O'Tooles whose park that is anyway and that they are taking in too much territory in their posting of notices and their press releases warning the public against proper recreational use of half of one of our greatest national parks. San Francisco promised to make the Hetch Hetchy country accessible, not to make it forbidden land.

Second. The roads that San Francisco promised. Those will be built, because Congress wrote the promise in the law and the Secretary of the Interior, under advice of the Attorney General, is requiring San Francisco to keep that promise.

Third. The sale of Hetch Hetchy power to a power company for resale. Section 6 of the Raker Act expressly forbids that and provides for forfeiture of the grant. When San Francisco, in 1925, proposed to make this contract which was disapproved by Mayor Rolph, ex-Mayor Phelan, ex-Congressman Kent, and many others quoted by me in my speech of last Saturday, the Secretary of the Interior was asked to approve such sale as a "temporary expedient." He declined to do so in the letter I have presented, and said to Mayor Rolph:

> It is the duty of the city and county of San Francisco at all times to comply with and observe on its part all the conditions specified in this act; and it is the duty of the Secretary of the Interior, in the event that the conditions specified in the act are not reasonably complied with and carried out, to report the facts, after notifying the city and county of San Francisco in writing, to the Attorney General for such suits or proceedings in the proper courts as the law and the facts in his opinion warrant.

The violation of section 6 is now plain and long continued. The good faith of the officials of San Francisco in their pretended attempts to buy the Pacific Gas & Electric Co. and Great Western Power Co. plants for distribution purposes is open to serious question. Because of the proven misrepresentations by O'Toole, above set forth, I question the good faith of the entire telegram. "The conditions specified in the act are not reasonably complied with and carried out." Therefore I have suggested to the Secretary of the Interior that he call upon the Attorney General to take the proper legal steps to enforce section 6 of the Raker Act.

It is time for San Francisco to realize that the United States still owns the Yosemite National Park, intends that its people shall have unobstructed use of it all, and that the O'Shaughnessy and O'Toole policy of evasion and pretense and procrastination will not succeed.

EXHIBIT A

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, December 14, 1927.

The honorable the SECRETARY OF THE INTERIOR.

DEAR MR. SECRETARY: My opinion has been requested as to the legal correctness of contentions made by the city and county of San Francisco concerning certain of its obligations under the act of December 19, 1913 (38 Stat. 242), generally referred to as the Raker Act.

The contentions of the city and county of San Francisco, which will be hereinafter referred to merely as the city, are set forth in a letter from the city attorney, dated October 13, 1927, and are made in response to a formal request made by you on July 7, 1927, that the city at once proceed with the building of certain specified roads and trails in Yosemite National Park, in California, in compliance with paragraph (p) of section 9 of the Raker Act, and also that said city convey to the United States certain lands owned by it in the Yosemite National Park, as provided by paragraph (t) of section 9 of said act.

The letter of July 7, 1927, recited certain of the requirements of section 9 of the Raker Act, as follows:

Section 9 of the act stated:

"That this grant is made to the said grantee subject to the observance on the part of the grantee of all the conditions hereinbefore and hereinafter enumerated."

By paragraph (p) of section 9 of said act it was provided:

"That this grant is upon the further condition that the grantee shall construct on the north side of the Hetch Hetchy Reservoir site a scenic road or trail, as the Secretary of the Interior may determine, above and along the proposed lake to such point as may be designated by the said Secretary, and also leading from said scenic road or trail a trail to the Tiltill Valley and to Lake Vernon, and a road or trail to Lake Eleanor and Cherry Valley via McGill Meadow; and likewise the said grantee shall build a wagon road from Hamilton or Smith Station along the most feasible route adjacent to its proposed aqueduct from Groveland to Portulaca or Hog Ranch and into the Hetch Hetchy Dam site, and a road along the southerly slope of Smiths Peak from Hog Ranch, past Harden Lake to a junction with the old Tioga Road, in section 4, township 1 south, range 21 east, Mount Diablo base and meridian, and such roads and trails made necessary by this grant, and as may be prescribed by the Secretary of the Interior. Said grantee shall have the right to build and maintain such other necessary roads or trails through the public lands, for the construction and operation of its works, subject, however, to the approval of the Secretary of Agriculture in the Stanislaus National Forest, and the Secretary of the Interior in the Yosemite National Park. The said grantee shall further lay and maintain a water pipe, or otherwise provide a good and sufficient supply of water for camp purposes at the Meadow, one-third of a mile, more or less, southeasterly from the Hetch Hetchy Dam site.

"That all trail and road building and maintenance by the said grantee in the Yosemite National Park and the Stanislaus National Forest shall be done subject to the direction and approval of the Secretary of the Interior or the Secretary of Agriculture according to their respective jurisdictions."

Paragraph (q) of said section 9 provides in part:

"That the said grantee * * * shall reimburse the United States Government for the actual cost of maintenance of the above roads and trails in a condition of repair as good as when constructed."

By paragraph (t) of said section 9 it is provided:

"That the grantee herein shall convey to the United States, by proper conveyance, a good and sufficient title, free from all liens and encumbrances of any nature whatever, to any and all tracts of land which are now owned by said grantee within the Yosemite National Park or that part of the national forest adjacent thereto not actually required for use under the provisions of this act, said conveyance to be approved by and filed with the Secretary of the Interior within six months after the said grantee ceases to use such lands for the purpose of construction or repair under the provisions of this act."

The letter then concluded:

"The city and county of San Francisco have not complied with the requirements of the grant hereinbefore set forth and, in accordance with the provisions of the act of December 19, 1913, I hereby make a formal request in writing that the following action be taken at once by the said city and county:

"(a) Widen the present road from Hog Ranch to Hetch Hetchy to a full travelable width of 18 feet and surface said road.

"(b) Build a road from Hetch Hetchy Reservoir to Lake Eleanor via McGill Meadow, so as to render the route available for motor travel.

"(c) Construct a road of not less than 18 feet in width, and with grades of not to exceed 8 per cent, from Hog Ranch past Harden Lake to the Tioga Road, said road to be suitable for motor travel.

"(d) Construct a wide and serviceable trail along the north side of Hetch Hetchy Reservoir for the full length thereof.

"(e) Construct a trail from the trail along the north side of Hetch Hetchy Reservoir to Tiltill Valley and to Lake Vernon.

"(f) Before proceeding to construction of the works herein required, the city and county must secure approval by the Secretary of the specifications for said works, to be followed by the construction contractor or party, as required by section 9 (p) of the act, and likewise must secure the formal approval and acceptance of the roads and trails constructed.

"(g) The grantee shall make arrangements for the reimbursement of the United States for the actual cost of maintenance of the above roads and trails in a condition of repair as good as when constructed, in accordance with the provisions of section 9 (q) of the act of December 19, 1913.

"The requirements expressed in this notice are not to be construed as in anywise releasing the city and county of San Francisco from constructing, at such future time as may be prescribed by the Secretary, a road or trail from Lake Eleanor into Cherry Valley, nor is this notice and the matters required therein to be construed as an abandonment of the right to require additional trails or roads, pursuant to the provisions of paragraph (p) of section 9, requiring the grantee to construct 'such roads and trails, made necessary by this grant, and as may be prescribed by the Secretary of the Interior.'

"It likewise appears that, as to the lands listed below, the grantee has for more than six months ceased 'to use such lands for the purpose of construction or repair under the provisions of this act' (the Raker Act), and hence that such lands should be conveyed to the United States, as provided by section 9 (t) of said act. The lands which appear to occupy this status are:

"(a) The east half of northwest quarter, the southwest quarter of the northwest quarter, and the northwest quarter of the southwest quarter of section 32, township 1 north, range 20 east.

"(b) The southeast quarter of section 9.

"The south half of the northeast quarter, the south half of the northwest quarter, the north half of the southwest quarter, and the northwest quarter of the southeast quarter of section 10.

"The southwest quarter of the northwest quarter and east half of the south half of section 11.

"The northwest quarter of the northeast quarter and the northeast quarter of the northwest quarter of section 16, all in township 1 north, range 20 east.

"(c) The south half of the northeast quarter, the north half of the southeast quarter, the southeast quarter of the southeast quarter of section 34.

"The southwest quarter of the northwest quarter, the west half of the southwest quarter, and the southeast quarter of the southeast quarter of section 35.

"And all of section 36, township 2 north, range 19 east.

"(d) The southeast quarter of the northwest quarter, the northwest quarter of the southeast quarter, and the east half of the southwest quarter of section 12, township 1 north, range 19 east.

"(e) The southwest quarter of the northwest quarter and the northwest quarter of southwest quarter of section 19, township 2 north, range 21 east. The southeast quarter of the northeast quarter of section 24, township 2 north, range 20 east.

"(f) The southwest quarter of the northeast quarter, the south half of the northwest quarter of section 5, the southeast quarter of the northeast quarter of section 6, all in township 1 north, range 21 east.

"Under authority of section 9 (t) of the act of December 19, 1913, a formal request is hereby made that 'a good and sufficient title free from all liens and incumbrances of any nature whatever' as to each of the described tracts, and any other lands occupying the same status, be conveyed to the United States.

"The purpose of this letter is to require of the city and county of San Francisco performance by them of all matters required of them by the act of December 19, 1913, and the enumeration herein of certain of those matters is not intended to, and must not be regarded as, waiving performance of any other required acts, or as excepting such other required acts from the operation of this notice."

In the letter of October 13, 1927, the city attorney asserts that the Director of the National Park Service appeared before the board of supervisors of the city and outlined his views as to the kinds of roads and trails which should be constructed by the city in response to the notice of July 7, 1927, and in compliance with the Raker Act. The director's position and the estimated cost of meeting his views were summarized by the city attorney as follows:

Project No. 1: Transfer city-owned lands to United States ---------- acres	2,632.94
Project No. 2: Construct trail north side of Hetch Hetchy Reservoir to Tiltill Valley and Lake Vernon, 21 miles, estimated cost	$43,500
Project No. 3: Construct Harden Lake Road (12 miles); estimated cost	480,000
Project No. 4: Construct Lake Eleanor Road, (14 miles); estimated cost	800,000
Project No. 5: Reconstruction and surfacing Hetch Hetchy Road (9 miles); estimated cost	270,000
Surveys	35,000
Total estimated cost	1,628,500

The letter recited that the board of supervisors disagreed with the views of the director and had referred the matter to the city attorney for negotiations with the department, and the contentions of the city were in substance as follows:

1. The city does not dissent from the requirements that it construct trails along the north side of Hetch Hetchy Reservoir and thence to Tiltill Valley and Lake Vernon.

2. The city recognizes the obligation to build roads over the routes specified in the notice of July 7, 1927, but contends:

(a) That in building roads pursuant to paragraph (p) of section 9 of the Raker Act, the city is not required to build roads of a higher standard than the main traveled roads, with which said roads to be constructed will connect, as said main roads existed or were immediately contemplated at the time of adoption of the Raker Act.

(b) That the city heretofore constructed a road from Hog Ranch to Hetch Hetchy, with a roadbed 22 feet in width and on a 4 per cent grade, at a cost of more than $200,000, which road was originally used as a railroad, but from which rails were temporarily removed, and the surface prepared for vehicular travel, with the understanding that rails might be relaid thereon, in the event of future need by the city for the railroad; that this road has been in satisfactory use, accommodating approximately 35 automobiles per day, and is in excess of the standards of the main traveled road with which it connects, and hence satisfied the requirement of the Raker Act.

(c) As to the road from Hetch Hetchy Reservoir to Lake Eleanor via McGill Meadow, the city in October, 1916, submitted to the department a map outlining the proposed road from Hetch Hetchy to Lake Eleanor, showing the alignment thereof, together with survey notes showing the proposed grades, and the department approved said map on December 30, 1926. The Lake Eleanor Road built by the city over this route was used by the city for handling approximately 6,000 tons of freight to Lake Eleanor, and its grades are superior to those of the Big Oak Flat Road, one of the main roads over which one would travel in reaching the Lake Eleanor Road. This road has been maintained by the city since its construction and was built and approved by the Secretary of the Interior, as one of the roads required to be built under the Raker Act, and the Secretary may not demand improvement of the standard of said road.

(d) The road which the notice of June 7, 1927, would require to be built from the Big Oak Flat Road past Harden Lake to the Tioga Road, is of a higher quality than either of said roads which it connects, and the most which should be asked of the city is to contribute to the cost of a road of modern standards over this route "a sum of money equivalent to the cost of constructing a road along the route indicated, of grades, width, and type of surface as existed on connecting roads at the time of adoption of the Raker Act." This cost would be about $250,000.

3. In the matter of conveying to the United States lands owned by the city and "not actually required for use under the provisions of this act," the city's position is substantially that:

(a) The city will promptly convey to the United States the 160-acre tract known as the Canyon ranch tract, and described as item (a) in the notice of July 7, 1927.

(b) The city will likewise convey to the United States all save the west 40 acres of the 160-acre tract known as the Tiltill Valley tract and described as item (f) in the notice of July 7, 1927, but contends that "the west 40 acres of this land are required for use by the city in connection with its future operations."

(c) The tracts described in items (d) and (e) of the notice of July 7, 1927, known as the McGill Meadow and Lake Vernon tracts, containing, respectively, 160 and 121.49 acres, were privately owned lands acquired by the city by deed in January, 1918, and being acquired after the approval of the Raker Act, are not lands which the city must convey under said act.

(d) The lands described in items (b) and (c) of the notice of July 7, 1927, are known, respectively, as the Hetch Hetchy and the Lake Eleanor Reservoir lands, and were acquired by the city for reservoir purposes. Part of said lands are submerged, a part of them lie between the flow line of the existing reservoirs and what will be the flow lines of the ultimate development of said reservoirs, and the remainder lie along the margins of the reservoirs, and "are required for use by the city for sanitary control of the reservoir." In view of these facts, the city contends that all of these lands are actually required for the purposes of the Raker Act, and the city is not obligated by said act to convey said lands to the United States.

4. The city further asserts that its project is far from complete; that the original appropriation of $45,000,000 for the project has been expended; and that $10,000,000 additional has been authorized, and an additional $24,000,000 must be voted this year for the project, after which possibly four years will elapse before water from the Hetch

Hetchy Valley can be brought into San Francisco. During this period the city has been and will be under a heavy burden of bond interest, and the city desires that a definite program be arranged for the performance of its obligations to the United States so that said obligations "may be carried out in such manner and at such time as will avoid at this time large capital expenditures for any roads which are not at present actually required to link up with the Federal or State road program."

Before considering the separate contentions of the city enumerated above, it is deemed advisable to set forth or state the general provisions of the Raker Act, and especially those portions relating to the Yosemite National Park.

The act of December 19, 1913, "hereby granted to the city and county of San Francisco, a municipal corporation in the State of California, all necessary right of way—width not to exceed 250 feet * * * in, over, and through the public lands * * * and through the Yosemite National Park and the Stanislaus National Forest"—

(1) "For the purpose of constructing, operating, and maintaining aqueducts, canals, ditches, pipes, pipe lines, flumes, tunnels, and conduits for conveying water for domestic purposes and uses to the city and county of San Francisco * * *."

(2) "For the purpose of constructing, operating, and maintaining power and electric plants, poles, and lines for generation and sale and distribution of electric energy * * *."

(3) "For the purpose of constructing, operating, and maintaining telephone and telegraph lines * * *."

(4) "For the purpose of constructing, operating, and maintaining roads, trails, bridges, tramways, railroads, and other means of locomotion, transportation, and communication, such as may be necessary or proper in the construction and operation of the works constructed by the grantee herein * * *."

There was also granted in said act "such lands in the Hetch Hetchy Valley and Lake Eleanor Basin within the Yosemite National Park, * * * irrespective of the width or extent of said lands, as may be determined by the Secretary of the Interior to be actually necessary for surface or underground reservoirs, diverting and storage dams; together with such lands as the Secretary of the Interior may determine to be actually necessary for power houses, and all other structures or buildings necessary or properly incident to the construction, operation, and maintenance of said water-power and electric plants, telephone and telegraph lines, and such means of locomotion, transportation, and communication as may be established * * *."

The grant was required to be accepted by the grantee within a limited time (sec. 9–s), and was to become effective upon approval by the Secretary of the Interior, of maps showing the lands acquired (sec. 2). Construction work was required to proceed with diligence, and the Secretary of the Interior was authorized to declare a forfeiture as to any unconstructed parts of the project for failure of the grantee to proceed diligently or wherever there had been a cessation of construction for a period of three consecutive years. This forfeiture was to be enforced by proceedings to be instituted by the Attorney General in the district courts for that purpose. The following conditions relating specifically to the national park were included in the grant:

Section 4 provided "that the said grantee shall conform to all regulations adopted and prescribed by the Secretary of the Interior governing the Yosemite National Park * * *"; and also required the grantee to construct and maintain bridges and other practicable crossings over its rights of way within the national park, and to fence the same if required to do so by the Secretary of the Interior, and to permit the free use by officials of the Government of any roads, trails, railroads, telephone and telegraph lines as might be constructed within said park, and further provided that all constructed works and structures "not of a temporary character shall be sightly and of suitable exterior design and finish so as to harmonize with the surrounding landscape and its use as a park; and * * * all plans * * * shall be submitted for approval to the Secretary of the Interior."

By section 5 of said act the enforcement of regulations was provided for as follows:

"That in the exercise of the rights granted by this act, the grantee shall at all times comply with the regulations herein authorized, and in the event of any material departure therefrom the Secretary of the Interior * * * may take such action as may be necessary in the courts or otherwise to enforce such regulations."

Section 7 of the act provided for annual payments to be made to the United States by the grantee in consideration for the grant, said payments to be utilized for national park purposes.

Section 9 of the act was in part as follows:

"That this grant is made to the said grantee subject to the observance on the part of the grantee of all the conditions hereinbefore and hereinafter enumerated:

"(a) That upon the completion of the Hetch Hetchy Dam or the Lake Eleanor Dam, in the Yosemite National Park, by the grantee, as herein specified, and upon the commencement of the use of any reservoirs thereby created by said grantee as a source of water supply for said grantee, the following sanitary regulations shall be made effective within the watershed above and around said reservoir sites so used by said grantee:

"First. No human excrement, garbage, or other refuse shall be placed in the waters of any reservoir or stream or within 300 feet thereof.

"Second. All sewage from permanent camps and hotels within the watershed shall be filtered by natural percolation through porous earth or otherwise adequately purified or destroyed.

"Third: No person shall bathe, wash clothes or cooking utensils, or water stock in, or in any way pollute the water within the limits of the Hetch Hetchy Reservoir or any reservoir constructed by the said grantee under the provisions of this grant, or in the streams leading thereto, within 1 mile of said reservoir; or, with reference to the Hetch Hetchy Reservoir, in the waters from the reservoir or waters entering the river between it and the 'Early intake' of the aqueduct, pending the completion of the aqueduct between 'Early intake' and the Hetch Hetchy Dam site.

"Fourth: The cost of the inspection necessary to secure compliance with the sanitary regulations made a part of these conditions, which inspection shall be under the direction of the Secretary of the Interior, shall be defrayed by the said grantee.

"Fifth: If at any time the sanitary regulations provided for herein shall be deemed by said grantee insufficient to protect the purity of the water supply, then the said grantee shall install a filteration plant or provide other means to guard the purity of the water. No other sanitary rules and restrictions shall be demanded by or granted to the said grantee as to the use of the watershed by campers, tourists, or the occupants of hotels and cottages."

By paragraph (p) of section 9 the grantee undertook to build and turn over to the United States for park purposes certain roads specified therein and made the subject of the demand of July 7, 1927, as hereinbefore stated, and by paragraph (q) of said section, undertook to maintain such roads in a state of repair as good as when constructed.

By paragraph (t) of section 9, the grantee agreed to convey to the United States title to all lands in the park owned by the grantee and not used for purposes of the project.

The enforcement of the conditions of the grant was authorized in paragraph (u) of section 9, as follows:

"*Provided, however,* That the grantee shall at all times comply with and observe on its part all the conditions specified in this act, and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior, it is made the duty of the Attorney General in the name of the United States to commence all necessary suits or proceedings in the proper court having jurisdiction thereof, for the purpose of enforcing and carrying out the provisions of this act."

Section 11 of the act declared:

"That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State."

The act shows on its face that it was more than a grant upon a condition subsequent. It was a contract, by and in which the United States granted the city certain rights over and to public lands within a national park, and received in return the promise of performance of certain works by the said city, subject to the direction and approval of the Secretary of the Interior and for the benefit of the United States.

The legislative history of the act confirms this and discloses that the grant and contract resulted from opposition to the granting of the rights desired by the city, as to lands within a national park, by legislators, public officials, and private parties, who believed that such a grant would impair the enjoyment of the park by the public. To meet these objections the act was made to contain many restrictions and reservations for the protection of the park not ordinarily placed upon rights of ways for reservoirs and subsidiary works over other public lands. In addition, the city agreed to build and maintain roads and make conveyance of lands owned by it in the park as consideration for the rights granted to it, and was required to accept, and by formal act did accept, the obligations provided for by the act.

The scope and purpose of the act was well stated by the then city attorney of the grantee in a brief filed in support by the then pending bill, which brief was made a part of the reports in favor of the legislation in both houses of the Congress. (H. Rept. No. 41, 63d Cong. 1st sess.; S. Rept. No. 113, 63d Cong. 1st sess.; vol. 50, pt. 6, CONGRESSIONAL RECORD, pp. 5450–5462.) The act was there described as follows:

"The United States in making this grant to the city of San Francisco is not acting in its governmental capacity or exercising governmental powers. It is acting purely as a landowner disposing of its domain upon such conditions as it sees fit to a grantee who accepts those

conditions and is bound by them as a matter of contract—not as a matter of statutory regulation."

The authority of Congress to impose the conditions made in the act was urged by the city upon authority of Gibson *v.* Chouteau (13 Wall. 92, 99), United States *v.* Gratiot (14 Pet. 526, 527), Black *v.* Elkhorn Mining Co. (163 U. S. 445, 448), Butte City Water Co. *v.* Baker (196 U. S. 119, 126), Light *v.* United States (220 U. S. 523), and such authority is not now denied by the city, which merely urges a construction of the act differing from that heretofore made by the department.

The act being in the nature of a contract, it is elementary that the intention of the parties must govern its construction, and that consideration may be given to extraneous matter to explain, but not to vary, the expressed provisions of the agreement. The same right exists as to statutes generally.

Having this view of the act as a whole, consideration will now be given to the points upon which the city and the department are at issue, as disclosed by the demand for performance of July 7, 1927, and the city's response thereto.

"1. The city contends that in building roads pursuant to paragraph (p) of section 9 of the Raker Act, the city is not required to build roads of a higher standard than the main traveled roads, with which said roads to be constructed will connect, as said main roads existed or were immediately contemplated at the time of adoption of the Raker Act."

It is provided in paragraph (p) of section 9 of the Raker Act, following the provisions therein that the city shall build the roads made the subject of the demand of July 9, 1927:

"That all trail and road building and maintenance by the said grantee in the Yosemite National Park shall be done subject to the direction and approval of the Secretary of the Interior."

The plain import of this provision is to vest in the Secretary of the Interior full authority to specify the standard of roads to be built by the city and to require that such roads be so constructed as to meet with his approval. Power to compel performance in accordance with his directions was vested in the Secretary by paragraph (u) of section 9 of the act, as follows:

"* * * *Provided, however,* That the grantee shall at all times comply with and observe on its part all the conditions specified in this act, and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior, it is made the duty of the Attorney General in the name of the United States to commence all necessary suits or proceedings in the proper court having jurisdiction thereof for the purpose of enforcing and carrying out the provisions of this act."

The power to designate the standard of roads to be built by the city is plain, unambiguous, and does not conflict with other provisions of the Raker Act. Under familiar principles of statutory construction no extrinsic evidence can be considered to explain this provision. The provision being unambiguous, there is nothing to be explained.

Since, however, the act is a contract, as well as a statute, the Secretary of the Interior, in exercising the supervisory discretion which the Congress and the city agreed that he should have, may and will, of course, seek only to exact performance of the contract to a degree satisfying the intent of the grantor and the grantee existing at the time the grant and the contract were made. This intent is to be derived from circumstances existing at the time of the negotiation of the contract.

The contention of the city as to the standard of roads intended to be required of the city appears to be an inference arrived at without recourse to evidence of the circumstances surrounding the making of the contract. The legislative history of the Raker Act, however, shows what was in the minds of the grantor and grantee, as to road building, and, as in the case of memoranda preceding a formal contract, must take precedence over inferences not based upon antecedent facts. The essence of the road building to be required of the grantee city was expressed in the favorable reports of the legislative committees upon the Raker Act, heretofore referred to. The bill then under consideration became the Raker Act without change as to the road building to be required of the city. In said reports an analysis of the bill by separate sections was had, and as to section 9 it was stated in part (vol. 50, pt. 6, CONGRESSIONAL RECORD, p. 5454):

Paragraph (p), section 9, provides for the building of roads and trails in the Yosemite National Park as designated by the Secretary of the Interior.

"(The routing of these roads and trails was made by Mr. Marshall, of the Geological Survey, who surveyed the Hetch Hetchy Valley and is familiar with all the scenic and topographical conditions there. These roads will cost the city of San Francisco $500,000 to $1,000,000, and are to be turned over, free of charge, to the United States. This is one of the important considerations, and carries compensation to the Government for the rights of way granted. The construction of these roads will make the Hetch Hetchy Valley accessible and will provide a convenient and easy way for mountaineers to reach the higher parts of the Sierra. * * *)"

The brief of the city attorney for San Francisco was also set forth in this report, and the following appeared under the heading:

WHAT SAN FRANCISCO PROPOSES TO DO IN RETURN FOR THIS GRANT

* * * * * * *

"2. To build at its own expense a magnificent system of roads and trails which will make one of the most beautiful scenic parts of the Sierra, now reached only by tedious journeys afoot or on mule back, generally accessible to the public."

Again in this brief it was said, under the heading:

HETCH HETCHY AND THE CONSERVATION POLICY

* * * * * * *

"A comparatively inaccessible portion of the beautiful Yosemite Park will be made easy of access to the nature-loving public."

In debates on the Hetch Hetchy bill proponents of the legislation repeatedly referred to the obligation on the grantee to build "a million dollars' worth of roads" (vol. 50, pt. 4, CONGRESSIONAL RECORD, pp. 3894, 3895, 4000, 4100), or as an obligation to build roads to make the park available for all the people for recreational purposes (vol. 50, pt. 4, CONGRESSIONAL RECORD, pp. 3896, 3890, 3898, 3969, 3982), and in some instances reference was made to roads or boulevards suitable for automobile travel (vol. 50, pt. 4, CONGRESSIONAL RECORD, p. 4111, pt. 6, p. 5467).

The road-building requirements described by Representative Raker, author of the act, were as follows:

"I want, Mr. Chairman, to call the attention of the committee further to this fact that this bill provides for roads to be built by the city and county of San Francisco, from the public highway into the valley, the Hetch Hetchy Valley. They say there is a trail around the Hetch Hetchy Valley. The city and county of San Francisco under this grant are to build the road up to the dam, around the lake, and from there north to the Tioga Road, which is a public road leading across the mountains to the State of Nevada. It will also build a trail up to the Tiltill Valley, where the city and county of San Francisco now own 160 acres of land, an ideal place for hotels and camp sites. They will build a road from there through the valley to Smiths Peak, and a trail from the main road around Hetch Hetchy on to Lake Eleanor and then to Cherry Creek. The city and county of San Francisco will keep up these roads from now until the crack of doom. To-day about 25 to 75 people per year visit the Hetch Hetchy Valley. You must go in on the trail and on burro back to get there.

"Instead of that you will have one of the scenic roads of the world built to this valley, and instead of having barren cliffs on either side you will have boulevards around this lake, so that the people may see the wonders of the Hetch Hetchy Valley and also the remainder of this territory that is in the watershed of this valley. They will make it accessible, and make accessible the Tuolumne meadows, which are about 40 miles beyond, where there are about 1,500 acres which will be accessible to campers. That part of the floor of the valley which is now owned by the city and county of San Francisco, about 780 acres in extent, could now be fenced, and the Government could be prevented from using any of that part of the floor of the valley. But instead of that they say they will build roads where people can go and see this beautiful lake, as well as the rest of the park."

Senator PITTMAN, who was in charge of the bill in the Senate, said (vol. 50, pt. 6, CONGRESSIONAL RECORD, p. 5467):

"We want that valley accessible to all people, and this bill provides that it shall be made accessible. It provides that the grantee under this bill shall build such roads and boulevards as will allow the people of all this country to get into the valley with wagons or automobiles, by foot or on horseback; to go up the boulevards to the top of those peaks, which are 8,500 feet high, drive around the border of that lake, and see all the beauties of that great national park, which to-day are reserved for those who have unlimited time and means to participate in such explorations.

"This bill provides for the building of these roads; and, mind you, not only does it provide for the building of roads, but it provides that the grantee shall pay to the Government a specific sum of money to keep these roads in eternal repair. That sum of money will eventually amount to something like a million and odd dollars, if not more. After five years they commence to donate to the Government for 10 years $15,000 a year for this work, for the next 10 years $20,000, and from that time on $30,000 a year for the purpose of keeping these roads in repair and for the purpose of keeping that park protected and in such a condition that it will be accessible to and can be enjoyed by others than mountain climbers."

* * * * * * *

"Eliminating, just for the sake of argument and for the time being, the millions of people who live around San Francisco Bay, but considering all the people of California, considering all the people of this country who have the time and the means to visit that great national park, will they be benefited or will they be injured by the work that is to take place under this bill? At the present time they can never see the Hetch Hetchy Valley; at the present time they can not make their way into any except the Yosemite Valley. When this bill becomes a

law they will have access by great boulevards to every point in that great national forest, and the Government will be given a fund, to be supplied by San Francisco, to keep up those roads and to protect that national forest against forest fires and vandalism. If that is the case, wherein is the objection? Wherein is the wrong?"

The foregoing clearly shows the intention of the parties to be that such roads were to be built over the specified routes as would make the park easily accessible to the public as a park, and for recreational purposes.

The right and duty to decide the kind of roads which should be constructed to make these parks accessible were vested by the Congress and by the city in the Secretary of the Interior.

There is nothing in the legislative history of the act which indicates that the main roads leading into the valley were then satisfactory or that they were to serve as models for the roads inside the park. On the contrary, it appears that the matter of improving the standard of the main roads referred to by the city attorney had been before Congress for a number of years and that the roads were recognized as wholly inadequate to serve the needs of the park (S. Doc. No. 155, 56th Cong., 1st sess.; S. Doc. No. 34, 58th Cong., 3d sess.), and large sums had been appropriated each year for the construction of trails and improvement of roads other than toll roads in the park. These appropriations have since 1913 continued to be made.

It also appears from Senate Resolution 275, Sixty-second Congress, second session, that the Congress, prior to the passage of the Raker Act, contemplated the improvement of existing roads or the building of new roads in national parks to accommodate motor travel. That resolution was as follows:

"*Resolved*, That the Secretary of War be, and he is hereby, directed to submit to the Senate as early as practicable an estimate of the cost of construction of new roads or changes in the present roads in the Yellowstone National Park in order to permit the use of automobiles and motor cycles therein without interfering with the present mode of travel in vehicles drawn by horses or other animals."

It also appears that automobile travel in the Yosemite National Park had been authorized prior to the passage of the Raker Act.

From the foregoing it is clear that the city undertook to build such roads over the designated routes as the United States would have built in order to make the park easily accessible to the public.

The roads were to be of a permanent character and such as would meet future as well as then existing needs. This is the import of the provision of paragraph (q) of section 9 of the act, which required the city to reimburse the United States for the actual cost of maintenance of the said roads "in a condition of repair as good as when constructed." This maintenance is a permanent obligation and requires the conclusion that in specifying the kind of roads to be built by the city the Secretary of the Interior was entitled and obligated to require roads of such permanent character and of such standards as would, when maintained as provided by the act, meet all the needs of the public in its use of the park.

The obligation to build roads as above defined had no necessary relation to the character or quality of roads in or about the park, as said roads existed in 1913. If such roads, as a matter of fact, were of such standard as met the then existing and prospective needs of the public and were such as, if extended into the park, would render the same readily accessible, then such roads might be used as models. The obligation to so use them was not imposed or implied by the act, which left that matter exclusively to the judgment and discretion of the Secretary of the Interior.

Delays have occurred in the performance of the road-building requirements of the act. The city attorney pointed out, in the letter of October 13, 1927, that the notice of July 7, 1927, was the first written or formal request for road building made upon the city, the implied contention being that such a notice was required to be given before the city was obligated to begin road construction.

The Raker Act does not require the Secretary of the Interior to make any demand or request that the city proceed with the discharge of its road-building obligations. The only language in the act with respect to written notice is in paragraph (u) of section 9, in which it is provided:

"That the grantee shall at all times comply with and observe on its part all the conditions specified in this act, and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior, it is made the duty of the Attorney General * * * to commence all necessary suits or proceedings * * * for the purpose of enforcing and carrying out the provisions of this act."

The requirement of a written request following a clause dealing with failure of compliance with the act by the grantee clearly relates to the matter which follows; i. e., action by the Attorney General to compel performance, and is not a necessary condition precedent to a default. This interpretation was given the act by its author in a debate in the Congress (vol. 50, pt. 4, CONGRESSIONAL RECORD, p. 406).

Although no specific time for compliance with the road-building requirements of the Raker Act were expressed, the act required the city to file maps of its project within a specified time and to carry on work with diligence, and authorized the Secretary to declare a forfeiture of the grant as to sites for unconstructed works in case of defaults which were not occasioned by matters beyond the control of the city. (Secs. 2 and 5 of act.) The act did not provide that road construction should follow construction of the city's project, and it seems certain that such road construction was regarded as a part of said project, and hence, also, was to be performed with reasonable diligence.

It is probable and, in fact, almost certain that road construction to-day will cost more than it would have in 1913, and the question arises whether the city is now entitled to object to road-building specifications on that ground.

The city's obligation was unchanging and is unchanged. It agreed to build and maintain such roads or trails as the Secretary of the Interior might prescribe. In prescribing roads the Secretary was expected to require permanent roads for present and future needs. There was no limitation as to the cost of such road building to the city. References in the Congress to roads and trails costing from one-half million to a million dollars were preliminary estimates based upon 1913 costs, and subject to the paramount obligation which was to make the park permanently accessible to the public. The specifications were left to be made by the Secretary of the Interior.

The city failed to act when it might have fulfilled its obligations at less cost than present performance will entail, but is no more entitled to insist upon partial or inadequate performance of its obligation on that ground than would any contractor who agreed to build to fixed specifications, but neglected to perform his obligation until after the costs of materials and labor rendered the obligation less profitable than he had anticipated. This case is even stronger in that the city has already acquired and enjoyed the consideration for its undertaking, and has for 14 years enjoyed the use of funds which might have been required for prompt compliance with the act.

I therefore conclude and advise you that the city and county of San Francisco is obligated to construct and maintain, in the manner prescribed by the Raker Act and subject to your direction and approval, such roads and trails over the routes specified in the act as will render those portions of Yosemite National Park adjacent thereto easily accessible to the public under such conditions of travel as existed or could reasonably have been foreseen in 1913. In requiring construction of roads of that character you will be exercising the discretion vested in you by the Congress and the city, in the manner intended by those bodies when the Raker Act was passed and the grant accepted.

The city has not contended that the requirements set forth in the notice of July 7, 1927, are for roads or trails of a standard in excess of that which might reasonably have been made in 1913 to meet the then existing and reasonably foreseen needs of the public in this park. Unless said requirements are in excess of those conditions, the demand made is clearly authorized and required by the Raker Act.

"2. That roads heretofore constructed from Hog Ranch to Hetch Hetchy Reservoir site and thence to Lake Eleanor were approved by the Secretary of the Interior before being constructed, and are sufficient compliance with the Raker Act as to roads over these routes."

The records show that these roads were built over rights of way granted pursuant to section 1 of the Raker Act as transportation roads. The rights of way were approved for that purpose, and it nowhere appears of record that your predecessors have ever regarded these roads as roads built for the use of the public. The roads were used for transporting building material and supplies to the Lake Eleanor and Hetch Hetchy Dam sites, and the city, although agreeing to the use of these roads temporarily by the public, insists upon a right to reassume full possession thereof if it decides to enlarge either of the reservoirs, to which said roads lead. The city has a present interest in the right of way, and if it desired to supply these roads in satisfaction of the requirements of section 9 of the Raker Act could only do so upon your approval of said roads for that purpose and by assigning such roads to the United States "free of cost" as required by section 7 of the act.

It also appears that in securing the right of the public to travel over these roads and in taking over the repair of the road to the Hetch Hetchy Reservoir the department expressly declared that said roads were not acceptable as in full compliance with the terms of the Raker Act.

From the matters of record it would appear that the roads heretofore constructed have never been considered or approved as meeting the ultimate obligation of the Raker Act, and I have to advise that you are entitled to require that said roads be put into such condition as to make them the kind of roads which would have been required to make the park areas easily accessible for public use as such use was required or might reasonably have been anticipated in 1913.

In this connection it may be added that, unless the city has an actual future need for these roads in connection with its project, it is obligated, under section 7 of the Raker Act, to assign said roads to the United States. If it has such need and desires ultimately to improve the roads to meet the requirements of section 9 of the act, and in compliance therewith, the matter of deferring the time for compliance with the act as to these roads is a matter within your discretion and may be allowed upon such conditions as you may prescribe.

"3. The city is not required to convey to the United States lands acquired in the Yosemite National Park after the passage of the Raker Act."

The provision in the act of December 19, 1913, is that the city shall convey "all tracts of land which are now owned by said grantee," and not actually required for use under said act.

It is clear, therefore, that the city is not bound to convey the two tracts acquired in the Yosemite National Park after December 19, 1913. Whether the city may use said lands as a part of its project without further authority from Congress is a question which need not be decided until an attempt to use said lands is made.

"4. The city is not required to convey to the United States lands adjacent to the Hetch Hetchy and Lake Eleanor Reservoirs."

The lands adjacent to the two reservoirs built by the grantee fall into two classes. First, those lands which are owned by the city and which will be flooded if and when existing dams are raised and the flow lines of the reservoirs are enlarged, and, second, lands owned by the city above any possible enlargement of the reservoir but which the city desires to retain "for sanitary control" of the reservoir.

As to lands below the flow lines of the reservoirs, as they may be enlarged by future works by the city, it is clear that no obligation exists upon the city to convey such lands to the United States. Such an obligation would arise, however, upon a denial in the manner provided by the act of any right in the city to enlarge its present reservoirs, unless the city is entitled to retain lands owned by it above the flow line of its reservoirs for sanitary control of the reservoirs.

One of the restrictions placed in the Raker Act, upon the rights of the city within the Yosemite National Park, was a set of sanitary regulations appearing at subsection (a) of section 9 of said act, as to which it was provided that: (Fifth)

"If at any time the sanitary regulations provided for herein shall be deemed by said grantee insufficient to protect the purity of the water supply, then the said grantee shall install a filtration plant or provide other means to guard the purity of the water. No other sanitary rules or restrictions shall be demanded by or granted to the said grantee as to the use of the watershed by campers, tourists, or the occupants of hotels and cottages."

These provisions clearly indicate that the city was to have no right to other restraints upon the public in their use of the park than were provided for in the regulations made a part of the grant. As the city undertook, by accepting the grant, to "convey to the United States any and all tracts of land now owned by said grantee within the Yosemite National Park not actually required for use under the provisions of this act"—it obligated itself to convey for the use of the public all lands above the flow line of its reservoirs not occupied by a filtration plant or other works erected by the city to purify the waters of the reservoir.

The report on the Raker bill in Congress and the statements of the proponents of the bill during its consideration all show that the city only intended to retain ownership of lands actually occupied by reservoir or subsidiary works. Illustrative of this is the statement of Representative Raker (vol. 50, pt. 4, CONGRESSIONAL RECORD, p. 3902):

"They will turn over the 160 acres of land which they now own at the Tiltill Valley for camping purposes—they will turn over the Cherry Valley in the same way, all that they do not use for reservoir purposes, and there is a good deal of it."

As the city owned only lands around Lake Eleanor, near the Cherry Valley, it is clear that the lands described in item (c) of the request of July 7, 1927, were those referred to in the above statement.

In this connection it is noted that, during the past season, the city assumed to prohibit boating and fishing in the Hetch Hetchy and Lake Eleanor Reservoirs by publishing notices to that effect. It is probable that it was asserting authority to do so on the ground heretofore asserted by the city that it owns a portion of the land beneath said reservoirs, and upon their banks. The city has also, informally, at least, opposed the establishing of camps, hotels, or cottages adjacent to these reservoirs, on the ground that such usages might pollute the city's water supply.

It is assumed that the desire of the city to retain ownership of the lands about these reservoirs is to support its policy of restricting activities of the public users of the park in and about these reservoirs.

What has heretofore been shown relative to the intent and purpose of the Raker Act discloses the fallacy of the present policy of the city, which is opposed to its promises made in the said act. The public uses of the park were to be increased by the city, and the sanitary regulations stipulated were the only restraints on account of said city which were to be imposed upon "campers, tourists, or the occupants of hotels and cottages." Even those restrictions were not required to be imposed until "the commencement of the use of any reservoirs thereby created by said grantee as a source of water supply for said grantee," which the city now asserts will be four or more years in the future.

The same is true as to fishing and boating, and it is not believed that the city has any power, either in its capacity of proprietor of part of the beds of these artificial bodies of water, or through the exercise of police power, as a municipality, to prohibit or regulate fishing or boating under such regulations as the department may prescribe. The city is an agency of the State of California and is bound by the cession of jurisdiction over the park made by the State (ch. 51, Sess. Laws 1919, p. 74) and accepted by the Congress (act of June 2, 1920, 41 Stat. 731), in which the State retained only a right to fix and collect license fees for fishing in the park, and as to which the Congress expressly placed the matter of fishing within the jurisdiction of the Secretary of the Interior.

I therefore conclude and advise that the city is required to convey to the United States all lands owned by it in the park in 1913 which are not actually flooded or used for works of the city's project, including all lands which have not been used for those purposes for more than six months past.

"5. The city's project is far from completion and the things required of the city should be arranged for in such a manner as to require only such immediate expenditures as the present needs of the park require."

This request is primarily a matter of policy, but it seems proper to point out that almost 15 years have elapsed since the city assumed the obligation to improve the Yosemite National Park; that four or more years will probably elapse before water is carried into the city; that cities whose need for water was urged as a reason for future enlargement of the present reservoirs have now secured water from other sources; that for a number of years the city has sold power developed by the project; and that the present lack of visitors in large numbers to the Hetch Hetchy Valley and to Lake Eleanor may be largely due to failure of the city to provide adequate roads, and acquiescence in the past by the department in the requests by the city that recreational activities at these reservoir sites be not encouraged.

In view of the matters it is respectfully recommended that the city be asked to submit its views as to what would constitute a reasonable program for the performance of the obligations herein defined. The city should also be required to show cause why a forfeiture should not be declared and enforced as to all rights of way, including reservoir areas which are not actually flooded and capable of being used by the city if its conduits were completed and the waters stored in the park were in actual use by its inhabitants.

Respectfully submitted.

E. O. PATTERSON, *Solicitor.*

Approved December 14, 1927.

JOHN H. EDWARDS, *Assistant Secretary.*

RELIGIOUS CENSUS

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. KVALE], under the previous order of the House, is recognized for 10 minutes.

Mr. KVALE. Mr. Speaker, we have just passed a bill providing for the taking of the fifteenth decennial census of our United States in 1930. Because the bill was brought up under suspension of House rules there was no opportunity to discuss the provisions of the bill or to offer amendments thereto.

In fact, in view of the policy laid down in the bill we passed, the amendment I had in mind might well have been ruled as not in order, for authority to select the specific questions to be included in the schedules and to define the scope of the census is left to the Director of the Bureau of the Census, subject to the approval of the Secretary of Commerce.

Evidently anticipating enactment of the bill and assuming such authority already to exist, the director has within the past few days, after conferences with his advisory commission from the American Statistical Association and the American Economic Association, delayed until a time not yet determined his decision on a large number of requests which have come to him with reference to particular questions to be included in the next census.

Among these, and, I hold, by far the most important to our Nation of any of them, is the request that the present religious statistics which are assembled be enlarged through the addition of one question. Just one question. And I want to show the House just what the addition of that one question would mean to us as a Nation, and to the accuracy and significance of the Government data on religions and the country's religious status.

PRESENT CENSUS IS INADEQUATE

Our present census aims at the collection and compilation in convenient form of all facts and figures, all statistical information that will be of value in promoting the national welfare. It provides for collection of complete data on population and distribution, on manufactures, on agriculture, on irrigation and drainage, on mines, on religious bodies. Note the last-named subject, that of religious bodies; it is just that and no more. The census covers the general adult membership in the various denominations of religions, and is secured largely through correspondence with the leaders in those denominations.

This work, it is true, covers the history, description, and statistics for each religious body that exists and operates in

this country, and yet it touches only an approximate half of the population of the Nation. And it is largely a duplication of the work that the churches themselves perform voluntarily each year. It is strictly a census of bodies and not of individuals. As such the statistics are of very limited value to the churches themselves, as well as to social and moral workers, statistical scholars, and others who seek reliable data on social and criminal problems.

The data compiled by them are valuable, and are used extensively, are quoted throughout the world. And yet the bureau's official statistics are so misleading and have such glaring omissions that their usefulness is seriously marred, and their publication places our Nation in a wrongfully unfavorable light.

COVERS ONLY HALF OF POPULATION

The statistics take no account of the millions of unchurched citizens of the United States who maintain some sort of religious affiliation and who have religious beliefs and preferences, even though they are not listed as active, supporting members of church organizations. Thus the bureau has no record of the religious character of an approximate one-half of our population. Nearly all other nations have a complete record of such information. Canada and Mexico, our nearest neighbors, have such censuses. The countries of Europe and South America almost without exception do likewise, as do Egypt, Australia, and others.

But we have an example within our own United States that may be applied. It is not generally known, perhaps, that the State of South Dakota takes a regular five-year census of its State population, and that it includes in its questionnaire just one question with reference to religion, and that is, "Church affiliation?"

Here, then, is a fair and accurate comparison between our National census and their State census, taken of the same group of peoples. Note, then, that the Federal census reported about 33 per cent of the State's population as members of some church body, and that the State's census found 75 per cent to be church people, 9 per cent not, and 16 per cent that for some reason failed to make any declaration. Distributing this 16 per cent on a proportional basis, we find that only 10.6 per cent of the population of South Dakota are not affiliated with some church, instead of the 67 per cent the Federal census statistics reported.

COMPARED WITH OTHER NATIONS

Canada conducts a similar census, and finds that her population is 98.4 per cent church affiliating, and less than 1 per cent have no religion or refuse to disclose their affiliation. Mexico, also conducting a census along such lines, finds that her population is 96.9 per cent Christian. But our United States, in its last published census reports, shows a church-affiliating citizenship of about 41 per cent of our total population. Is that a fair comparison? Certainly we should feel that there is some error in a system that permits us to be designated as a Nation so far inferior to other nations in religious progress. It does not fall far short of slander.

We need not be members of any church to recognize the indisputable fact that religion is the world's greatest moral force to-day. No one will deny that stark disaster would accompany a cessation of its influence. And yet our information on the country's religious status is woefully incomplete and unreliable. Not once in our history have the citizens been asked for a direct statement of their religious preferences, if any, so that in that way there might be made available the exact status of this activity.

At once we would have a definite basis for studies in problems that vitally affect our national welfare and progress. At present all statistics on crime, on social work, on police work, are based on estimates and on guesswork in so far as the religious influence is concerned. Church bodies would know exactly the scope of their work and the opportunities before them; and I think it may be stated that there is not one of them which would not approve this addition to our census work and sense the tremendous importance of it. Nor would we longer be cited to the world as a Nation that is only about half religious, when in reality we are a Christian Nation, and the official statistics should show it.

"CHURCH AFFILIATION" SHOULD BE ASKED

A demand should come from every intelligent citizen of the United States to the Director of the Census and the Secretary of Commerce insisting that there be embodied in the next population schedule the one question establishing the religious preference that each citizen may have. There need be no additional questions, but the one question, two words in length, will give invaluable statistics on religious affiliation by denominations and by geographical units.

This appeal, I am sure, will result in a demand almost universal if it is only brought to the attention of the church bodies at their annual conventions, and if it only reaches the attention of the students and workers in social and economic research. It is astounding that it has not been done long, long ago; and it should be made a regular part of the census work without further delay.

Is it too much to ask? In the bureau's large number of questions designed to secure information and statistics that will bring beneficial data regarding social and moral progress, regarding economic and business development, regarding industrial problems and their solution, there are many whose extent of usefulness is distinctly limited. There are many questions that serve to develop information used by a relatively small group of the population. Take, for instance, the figures and data regarding the elaborate reports for selected industries in the manufactures schedule. But not so with this one question that is proposed. It would affect everyone, and it should be all important.

When the farmer is asked perhaps 25 questions about his cows and pigs, and his farm property and livestock, might he not be asked one question that vitally affects his own community's moral progress and that of his Nation?

IS OF OUTSTANDING IMPORTANCE

When the Secretary of Commerce, Mr. Hoover, now proposes to expand the bureau's census of distribution to include an elaborate census of distribution of wholesale and retail products that will constitute perhaps the greatest commercial venture this Nation has yet undertaken, is it out of place to suggest that he might well consider the matter of one question—only one question—as to religious affiliations of the population to be of comparable importance at least?

The Director of the Census, in a letter to me dated May 5, states that—

* * * as stated at our conference * * * it would be difficult, if not impossible, for the census to include any additional inquiries on the schedule used to enumerate the population without omitting some of those that had been used at prior censuses. In my preliminary talk with the persons that are especially interested in the subjects covered by the schedule, I find that there is a great deal of opposition to the omission of any of the inquiries. * * *

If, then, this question is to be reduced arbitrarily to a simple question of choice between addition of the religious preference question and elimination of one other question—a procedure which I believe can be rightly questioned and challenged—I still insist that it can be settled on its merits, that it can not be denied that this information is of far greater importance to the Nation than some of the questions, of admitted importance and significance, that are now asked of the Nation's inhabitants; and that while the director and his advisers very naturally are reluctant to order any elimination of present questions which bring a series of comparative statistics covering the years of the censuses, this question I have herein discussed is respectfully left with them for their consideration pending their meeting next fall.

Mr. RANKIN. Will the gentleman yield?

Mr. KVALE. Certainly.

Mr. RANKIN. The gentleman did not come before the Census Committee and recommend it?

Mr. KVALE. I have conferred a number of times with the chairman of the Census Committee, the gentleman from Connecticut [Mr. FENN], but he advised me that it was a matter for the Director of the Census to take care of.

Mr. RANKIN. I am the ranking minority member on that committee and this is the first time this has been called to my attention.

Mr. KVALE. The gentleman understands my position, I am sure. I was given to understand that an amendment was not necessary; in fact, that it would not be in place.

Mr. RANKIN. I am not sure about that. We were working out a bill, and we might have had the gentleman's views written into the bill. I rather think he is right about this.

Mr. KVALE. I thank the gentleman for his opinion and I feel sure he will do his utmost to have the question I suggest embodied in the population schedule of our next census.

Mr. Speaker, no question as to the constitutionality of this proposed change can be offered in good faith by those who for some reason may oppose it. The present method is admittedly constitutional; it has been in operation for many years and has never been seriously questioned. If that is in harmony with our Constitution, then a method perfected to remove the glaring inadequacies and the misleading results arrived at in the present procedure would be by that much the more constitutional. That is perfectly apparent to any thinking man, and needs no further comment.

I suggest that all the Members of this House who are interested in the subject get in touch with the Secretary of Commerce and the Director of the Census Bureau and give them their views on the question involved. I further suggest that all the church bodies assembled in their annual conventions this year, in fact, every congregation and religious organization in our country, pass a resolution asking, nay, demanding, of the Secretary of Commerce and the Director of the Bureau of the Census that this one question be included in the next population schedule. [Applause.]

GREETINGS TO THE RURAL CARRIERS OF THE FIFTH DISTRICT OF MISSISSIPPI

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. COLLINS] may be permitted to insert in the RECORD a speech he is going to make on the 30th of May at a convention of rural letter carriers at Louisville, Miss.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Speaker, our present rural free-delivery system began in the year 1896 with the establishment of three insignificant routes. It differs from the system of every other country in that foreign delivery-mail systems have been bureaucratic, originating always with the post-office officials and planned on geometrical lines, measured strictly by a tapeline.

Our rural delivery of mails has come from the people themselves and its growth has been in response to petitions from them. Did you know that long before its inception the people of a certain farming community in Mississippi had developed a scheme by which all their mail was delivered to one individual who in turn delivered it to each house and took from each of his patrons any outgoing mail they might have for the postoffice? The system is one of cooperation. Your patrons are working on their side to help the Government in its undertaking by the upbuilding of poor roads, the bridging of unpassable creeks and streams, and the placing of available and appropriate mail boxes at their homes. By thus uniting for one purpose the rural-mail service has expanded almost in the twinkling of an eye until to-day there are approximately 44,370 rural routes, which serve about 7,100,000 families throughout this great land. It is hard to realize that such growth has resulted within 32 years. Uncle Sam never gave a service more appreciated by the people, to my way of thinking, nor derived greater benefits from any one thing, in proportion to the money expended. So we all have a pride and feeling of possession in the rural-delivery system. But it is you carriers who form the basis of its excellence, by keeping its wheels turning. You and your brothers of other States are carrying on in the great prairie lands of the West, in the foothills of the Alleghenies, on the ice-bound lands of the Lake Champlain region, in the sugar plantations of Louisiana, the fruit-orchard lined roads of California, and the rough mining counties of the hills.

Born under difficulties and cared for at first as an orphan "experiment," the rural mail delivery has come to be an established policy of the postal administration. You have the responsibility of seeing that the mail matter is delivered, come what may, letters that mean life and happiness, profit, and the upbuilding of commercial relations with others, and often lasting success itself to those you serve. It is certain that our people have come so to depend on this satisfying service that they would rather pay for such delivery themselves or submit to increased postal rates, if necessary, rather than be without this daily convenience.

There has always been and will always be a thrill connected with the sending and receiving of mail, and there is also an aura of romance about the carriers of these tidings of hope, and love, good luck, news of far-off loved ones, and the countless whisperings of the world. The written or spoken message brought from afar has often turned the tide of history. In the days of the Cæsars the courier afoot or on horse was eagerly looked for and looked up to; the same swift courier of news formed a part of the campaigns of Napoleon; the mail courier has ever played a vital part in the growth of white civilization. From the beginning of our country, through him, colonies were kept in close touch and harmony with each other. Then in the formative years of the country came that most picturesque mail delivery history has ever known, the Pony Express. It did not exist much over a year but served to take the mail across that 2,000 miles unpassed by any railroad, from the west coast across the desert. These riders traversed the roads lined with vast forests and plains where they could be ambushed by the road agents and the Indians of those days. They were fearless men, devoted to the one ideal, "the mails first, then the man." The best of horses were used, and every thought was toward getting the mails through. Oftentimes a rider would have given anything to be able to stop to engage in battle with attacking Indians or road agents, but the mail was first, and many a pouch of mail was delivered to the next rider by a rider mortally wounded. "Buffalo Bill" Cody was one of the most fearless of these mail riders. Over all that long distance, by means of relay riders and horses, for a year and a half the mails went through on schedule, and only one bag of mail was ever lost.

I have taken your time to recall this period in the history of mail delivery, because I feel that the same ideals and loyalty of service that distinguished those men abound in the characters of the rural free postmen of to-day. There is still a thrill about the delivery of mail, there is yet a tinge of romance to the duty of a carrier. You, too, administer unselfishly when you find distress; you surmount the difficulties of your work as you meet them. There are opportunities for the display of courage, and many heroic deeds have been done by your brotherhood. The annals of the Post Office Department show deeds of such courageous character that they rival those of any military hero. In the last several years more than a hundred men have given their lives in line of postal duty. To qualify as a rural carrier means that he is a man of stamina, of intelligence, of good health, of outstanding courage. No youth can stand the work unless he shows the makings of a real man.

In the fifth Mississippi district we do not have the rigorous storms nor the terrific snows that test the hardiest of the carriers in the cold regions, but whether or not your route uncovers danger, your work is vital and you ought to be rewarded for long service and loyalty. I am always proud to be giving aid to anything that helps you, as I am serving not only you, my friends, but the thousands in my district whom you touch.

The friends along your route look on you not only as their postman, but as a general-utility friend; and the things you have done for them, the times you have summoned a doctor, the favors that have been asked of you not always in the strict line of your duty, will all be charged up to your credit as a neighbor and will help to swell the influence you already wield. You have a responsibility to shoulder which is to "be a friend to man."

The latest speeding up of Uncle Sam's mail deliveries has brought the most modern airplane into the service, reducing again the distance from coast to coast. But let me tell you of another spectacular mail service I have heard about, not in our own land, but of a small island in the Tonga group of islands in the South Pacific. This island is completely surrounded by such dangerous coral reefs that no boat can come closer than two miles from shore. Once a month a mail boat from New Zealand appears with mail, two native postmen start swimming toward it, the leading man carrying a short stick with a cleft in the end of it. In this cleft are the outgoing letters which he drops into a bucket let down from the ship. Then a large sealed cracker box is let down in which is the in-going mail; the swimmers tow this back to shore against dangerous currents and the tide. While your job is not so "wet" as this one, from the reports I get from postal headquarters I know that the rural carriers of the fifth district are bravely breasting the breakers and making progress toward perfection in the delivery of the mail to all corners of our district.

There is a monument of stone outside the city of Los Angeles to "Snowshoe" Thompson, a rural carrier who, for 13 years, carried on his back through the snowbound passes of the Sierras the mail business of California to and from the East before the advent of any railroad through that country.

You have no stone monuments erected, and may never have, but I want to assure you that there exists one to each and every one of you in the community heart of those you serve.

EXTENSION OF REMARKS

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an article by General Richardson, of the United States Army, on the subject of Alaska, where he spent a great many years.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. How long is the article?

Mr. THURSTON. About 10 pages.

Mr. CRAMTON. Is it a recent article? I ask that because an article, I think by General Richardson, was inserted in the RECORD at an earlier date this session.

Mr. THURSTON. This is in January.

Mr. CRAMTON. I think it was inserted by the gentleman from Massachusetts [Mr. TREADWAY].

Mr. THURSTON. Then, Mr. Speaker, I shall withdraw my request for the present.

Mr. KIESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article relative

to the limitation of sugar in the Philippines prepared by Mr. Vincente Villamin, a Filipino.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

WHAT IT COSTS TO RUN THE UNITED STATES GOVERNMENT

Mr. HARDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARDY. Mr. Speaker, I propose to make a few remarks about the business side of the United States Government. I like to talk about the business side of the Government that the Congress has to do with because I think it has been well conducted.

Being a member of the Appropriations Committee, I come much in contact with the figures—the big figures—that represent the expenditures of the Government. I know the efforts this committee, led by its late lamented chairman, Mr. Madden, has made to keep the appropriations within reasonable bounds.

This great committee has never had a greater chairman than Martin B. Madden, who died at his desk April 27, 1928. He had a broad vision and understanding, and he knew the various activities and ramifications of the departments for which he was approving appropriations. Having started life as a poor immigrant boy, he knew the value of a dollar and what it would buy. Having made a notable success in big business before coming to Congress, he could understand necessities that run into millions. Mr. Madden was a hard worker; a thorough student of public affairs, sincerely patriotic, generous and kind by nature, helpful where help was deserved, but discriminating always. He never hesitated to push aside or fight his best friends who sought what he considered unnecessary appropriation. He would defend the Public Treasury with his own life, a common-enough saying, but in his case literally true, as was evidenced by his last fight on the floor of the House the day before death called him, hastened no doubt by his aggressiveness to save the Treasury in that instance. I would guess that Mr. Madden during his chairmanship of this great committee saved this country nearly, if not fully, a billion dollars through his insight and insistence upon economy and retrenchment.

Appropriation bills must originate in the House of Representatives.

All bills carrying appropriations must be considered and reported out by the House Appropriations Committee.

All bills reported out by the Appropriations Committee are passed. That sounds rather broad, but I do not recall any bills in recent years that this committee has reported out that have not passed. One or two have been temporarily held up by filibusters in the Senate, but they went through the next session. They usually go through the House very nearly as written. The Senate not infrequently adds on a few millions of dollars.

Since every bill reported out by the Appropriations Committee and practically every dollar in every bill so reported out becomes law, it may be seen how important it is to have a conservative committee that will conserve the public funds. And that you have had for 10 years.

In years past the running expenses of the Government were largely paid from a tax on tobacco, alcohol and liquors, and receipts from customs. That was before it cost a billion dollars a year to run the Government. And it was not so many years back at that.

The World War brought on big expenditures and heavy income taxes. Appropriations jumped from three-quarters of a billion dollars in 1916 to $19,000,000,000 in 1919, then back to $6,000,000,000 in 1920. They have gradually been brought down to about $4,000,000,000 per year.

For eight years the Republican Congress has been trying to bring down expenditures, cut down appropriations, reduce taxes, and pay off the public debt. Federal taxes have been reduced until they are no longer a burden to anybody, and not much paid by the average man, and the public debt has been reduced about $8,000,000,000.

Coming down from war-time expenditures has not been an easy matter. But it has been done. Three agencies have been largely responsible for bringing before the Congress a conservative financial program—the President, the Budget, and the House Appropriations Committee.

The President has set the pace and has urged the departments to economize. He has issued orders that no person employed in the Government shall urge before the Appropriations Committee greater appropriations than the Budget estimates. He has set the figure for the total year's expenditures.

The Budget has suggested how the funds may be allocated to each department and activity of the Government and come within the grand total suggested by the President.

The House Appropriations Committee has reported out and the Congress has passed bills appropriating less money than the Budget has estimated usually.

While the results have been magnificent, few applaud or seem to care.

The demand for appropriations and for new laws requiring appropriations come from many and from everywhere. Every department of the Government wants to expand. The Army and the Navy want more men, more ships, more equipment, better quarters. Every town and city wants public buildings and air mail. Every river and harbor is a possible drain on the Treasury. Every man on the public pay roll would like increased pay. And nearly everybody, everywhere, has something in his mind which he thinks the United States Government ought to buy, build, or pay for.

Every chamber of commerce, with few exceptions possibly, in the United States has indorsed one or more projects that would increase appropriations. Every organization in the United States seems to advocate the spending of public funds somewhere. Millions of dollars are spent every year through organizations, advertising, and propaganda to induce the Congress to pass, or to influence the country to demand that the Congress should pass, one thing or another that would cost much money.

Does anybody protest against any of these expensive laws or appropriations?

Not that any Congressman has heard much about.

Those interested and those who would benefit by legislation and appropriations and many of their friends write, telegraph, and show up in person to advocate their cause. But the great majority who pay the taxes say nothing.

The Appropriations Committee can report out appropriations only for functions or activities for which there is a law. It is expected to and usually does report out appropriations for governmental activities for which there is a law. It uses its judgment as to just how much to report out.

The Appropriations Committee does not initiate laws. If it puts an item in a bill for something for which there is no law, that item can be stricken out of the bill on the floor of the House on a "point of order" raised by any Member.

The Appropriations Committee is not responsible for flood control, rivers and harbors improvement, Muscle Shoals, Boulder Canyon Dam, public highways, naval expansion, adjusted compensation, or any of the many things that cost money. But if the country demands them, and if the Congress passes the laws authorizing them, then the Appropriations Committee must report out bills to cover them.

The Appropriations Committee is not responsible for the big Budget, the growing Budget of the country. The country which demands new and expensive activities and the Congress which passes the laws are responsible for that.

It is the business of this great committee to hold the appropriations for the several departments and the various Government activities down to a minimum and at the same time take care of their actual needs, and it is doing that very well.

WHAT IT COSTS TO RUN THE COUNTRY

Here is a list of appropriations made by this Congress for the fiscal year beginning July 1, 1928, and ending June 30, 1929:

For fiscal year 1929

Agricultural Department	$139,138,793.88
Interior Department	272,656,039.00
Navy Department	362,145,812.00
War Department	398,517,221.50
Treasury Department	296,392,018.00
Post Office Department	764,950,042.00
State Department	13,955,955.14
Department of Justice	26,759,342.50
Department of Commerce	38,136,960.00
Labor Department	10,968,340.00
Legislative	17,746,893.26
Executive and independent offices	527,593,111.00
District of Columbia	37,625,208.00
Deficiency bill, largely held over from last year	200,936,668.02
Second deficiency bill	146,017,757.74
Total	3,253,540,162.04

The above are the items appropriated by this session of Congress. To this must be added the permanent and indefinite appropriations which run along without Congress appropriating them every year. In this item is included the interest on public debt, regular sinking fund for the public debt, and other regular fixed charges, altogether amounting to $1,388,753,735.53. Added to the above, this will make a grand total for the cost of Government for the fiscal year of 1929 of $4,642,293,897.57.

Appropriations do not indicate the exact amounts spent. Expenditures will probably run a little less than appropriations.

The fiscal year ending June 30, 1927, has been closed up and the figures published, so we do know exactly what the Government cost that year. We know what the receipts were, and the surplus. Here is a statement for the year 1927. These figures include the Post Office Department, which is a large item.

For 1927

Total receipts	$4,812,516,429.76
Total expenditures	4,176,706,508.06
Surplus	635,809,921.70

The surplus was later applied on reduction of the public debt.

Three large items in this expenditure are Post Office Department, interest on public debt, and payment on public debt required by law. These were for 1927, as follows:

Post-office service	$712,036,704.71
Interest on public debt	831,937,700.16
Debt retirement required by law	487,376,050.50
Total	2,031,350,455.37

The Post Office Department takes care of itself pretty well, collecting for service nearly as much as it costs. The other two items are on account of the war, of course. Take these items from the total expenditures, and the total cost for all the other functions of government was $2,145,356,052.69.

HOW THE MONEY IS RAISED TO PAY THE BILLS

The receipts you read about which are required to pay the expenses of Government come from several sources. The present tariff produces over $605,000,000 a year. That is a considerable increase over the Democratic tariff of a few years ago. I figured it up once and found that the Democratic tariff for the years of 1917, 1918, and 1919 brought in in customs receipts a total of $713,633,640.

The Republican tariff law brought in in customs receipts for the years 1925, 1926, and 1927 a total of $1,733,740,000, which was something over a billion dollars more than the Democratic tariff produced for three years. Naturally, that billion dollars had the effect of reducing taxes to that extent.

The income tax last year brought in $2,224,992,800. These are the two big items of receipts.

The Appropriations Committee has nothing to do with writing the revenue laws. All bills referring to the tax question and the raising of revenue are considered by the Ways and Means Committee of the House. This is a very important committee. It is made up of 35 members, and as a rule they are the older Members of the House. Hon. CHARLES T. TIMBERLAKE, of Colorado, is a member of this committee.

This summary will show you the sources of the receipts for 1927:

Receipts for 1927

Income tax	$2,224,992,800.25
Miscellaneous internal revenue	644,421,541.56
Customs account tariff laws	605,499,983.44
Miscellaneous receipts	654,480,115.85
Postal Service	683,121,988.66
	4,812,516,429.76
Total expenditures	4,176,706,508.06
Surplus	635,809,921.70

MISCELLANEOUS INTERNAL REVENUE

Taxes raised on specific things and industries have been largely removed. A large item, that on automobiles and motor cycles, goes off this year. Here are the receipts for the principal items under this head for the year 1927:

Estates	$100,339,851.96
Spirits and liquor	21,195,551.96
Tobacco	376,170,205.04
Stamp taxes	37,345,551.43
Autos and motor cycles	66,437,881.32
Admissions to theaters, etc	17,940,636.69

ANOTHER BIG REDUCTION IN FEDERAL TAXES

You would think, with the rapidly growing country and the insistent demand of the country for increased appropriations for many and sundry things, that there would be an end to tax reduction some day—and there certainly will be some day. But the end did not come this year.

This Congress has passed a new revenue bill which cuts about $222,495,000 off the yearly taxes paid by the public.

The revenue act of 1921 reduced the annual Federal taxes by about $663,000,000. These figures are from the Treasury Department and are based on what the collections would have been had the rates and taxes not been reduced. The revenue act passed in 1924 cut off $519,000,000 from the annual collection of taxes. Again in 1926 the revenue act lowered rates and made further exemptions amounting to $422,000,000 annually.

Here is the way it looks

1921: Taxes reduced by	$663,000,000
1924: Taxes reduced by	519,000,000
1926: Taxes reduced by	422,000,000
1928: Taxes reduced by	222,000,000
Total	1,826,000,000

And this is how it works: If the laws had not been changed, reductions in rates of income tax made, and tax on items like the automobile and many other things cut off entirely; if the tax laws of January, 1921, were in force, the people would pay this year just about $1,826,000,000 more than they will have to pay. That certainly is a substantial sum saved to the people and has no doubt added much to the prosperity of the country.

The new revenue bill passed by this Congress in 1928 reduces the flat corporation taxes from 13½ to 12 per cent. This item alone cuts $123,450,000 off collection. The automobile tax is entirely removed, saving purchasers of automobiles about $66,000,000 a year. Tax cut on admissions for tickets up to $3 saves the public $17,000,000 annually. About $185,000 is cut off tax on cereal beverages and about $150,000 off druggists.

Those who patronize prize fights will pay more, rates being raised so that about $750,000 more tax will be collected, and those who buy yachts built in foreign lands will have to pay about $50,000 more in taxes.

WHO PAYS THE FEDERAL TAXES

The Federal taxes have been so reduced and exemptions extended have been so liberal, the average man pays very little of the taxes required to run the Federal Government.

The married man who earns $3,500 per year pays no income tax. If he has three children under 18 he may earn $4,700 and still pays no income tax.

For the calendar year 1924 a total of 4,489,698 persons paid income tax.

For the next year with the exemption increased under the new law only 2,501,166 persons paid income tax, paying in all $734,555,183.

Those who own stock in corporations do contribute, of course, through the corporation tax. For 1925 corporations paid $1,170,331,206.

The miscellaneous taxes used to catch a good many. Through stamp tax and penny collections here and there most people did contribute to the cost of the Government. But most of these have been removed and others reduced. The last big one to go is the tax on automobiles. This tax brought in $138,200,000 for 1926 and $66,400,000 for 1927, but it is entirely cut off by the revenue law passed by this Congress.

The tobacco tax brings in the largest sum under this head—brings in more than half of all the miscellaneous taxes. Last year tobacco users in its various forms paid $376,200,000 taxes to help run the Federal Government. This tobacco tax has always been with us and I suppose always will be. It is easily collected, and I often say that the smoker is the most cheerful taxpayer of them all; and since I have been helping to work up the appropriations bill for the United States Navy I have sometimes remarked that the smokers of the country pay enough tax to run this whole Navy Establishment, which will cost about $352,000,000 for next year.

THE SURPLUS—WHAT IT IS AND WHY

The surplus or the deficit in the Government's affairs is the difference between receipts and expenditures. For a number of years we have been collecting in more money than has been paid out. So we have been having a surplus. It has not always been that way.

I recall when I was quite a lad, back in the Cleveland administration, seeing a good deal of talk in the newspapers about this national surplus question. It seemed that Mr. Cleveland did not believe in a surplus. The tariff rates were cut, the revenues declined, and the surplus was wiped out. The result was that the National Government in times of peace had to sell bonds to meet the running expenses of the Government. This naturally brought out a big holler from business people who do not believe in that sort of thing.

The Government is just like the individual. I know men who spend more than they get. The result is that at the end of each year they have to increase the size of the mortgage on the home. I know men who never spend quite as much as they get in any one year. The result is that they are out of debt, do not pay interest, and are getting ahead in the world.

Mr. Cleveland had a deficit the last three years of his administration. And that was in peace time. The Government had a big deficit in 1918 and 1919—running up to about twenty-four billions of dollars for the two years—but that was on account of the war, of course, and could not be helped.

Mr. Harding was and Mr. Coolidge and Mr. Mellon are the sort of people who do not believe in deficits. The Republican administration started in to wipe out the deficits, to reduce running expenses, to reduce taxes, and pay off the national debt.

So whatever the income, the expenditures have been less and each year there has been a very handsome surplus. In the past eight years this surplus has amounted to over $2,692,000,000.

At the end of each year the Secretary of the Treasury has taken the amount of surplus on hand, all that could be safely spared of it, and has applied it to paying off the debt, just as any good business man would say that he ought to do.

The result is shown in the great reduction of the public debt that has been made.

Another result, too, is the fact that as the debt is reduced the interest is reduced. The interest charges which we pay out are now about $300,000,000 less than they were a few years ago.

Here is a table showing the surplus saved for each year for the past eight years:

Surplus by years

1920	$212,473,197
1921	86,723,771
1922	313,801,651
1923	309,657,460
1924	505,366,986
1925	250,505,238
1926	377,767,817
1927	635,809,922
Total	2,692,106,042

I have no doubt you will hear this surplus criticized as we go along. It is a little large. If the tax rates were on a stable thing, like real estate for instance, the rates could be reduced a little further, which would probably reduce the surplus for the next year. But the income-tax rates are based on income and profits. The country has been very prosperous for a number of years and incomes and profits have been very good and on the increase. So noticeable has this been that some of these tax-rate cuts have produced more income tax the following year—because of increased income and profits in industry and business.

A slight slowing up of industry and business with a slight falling off of income and profits would affect the amount of income tax paid materially. It is estimated that if business and industry suffered a loss of 15 per cent in profits that the income tax paid under present rates would hardly meet the requirements of the Government.

This is one of the reasons why it is not safe to cut taxes so low that there would be no surplus. A tax rate that would produce no surplus in these prosperous days would certainly leave a large deficit in ordinary times.

ANOTHER BILLION DOLLARS PAID ON NATIONAL DEBT

I like to discuss the national debt. These big figures are fascinating to me. And the progress we are making in paying off the national debt is amazing. I recall only a few years back big people were talking about the impossibility of its ever being paid off.

A Democratic United States Senator expressed the opinion that it could never be done. The Liberty bonds sold down as low as 85 cents on the dollar. There was a feeling of uncertainty about their value.

During the first session of the first Congress I attended in 1919 the debt reached its peak. It got up to $26,596,701,648 gross, or after allowing for the net balance in the general fund the net debt owed by the United States on August 31, 1919, was $25,478,592,113.25, a stupendous sum. No wonder people not familiar with big figures and not acquainted with the resources of the United States, and not accustomed to observing economical Government administration, should doubt our ability to pay.

But in less than nine years we have paid off practically a third of it. The net debt of the United States on April 30, 1928, was $17,648,741,409.94.

This shows a reduction of the debt in less than nine years of $7,829,850,708.31.

Be it far from me to intimate that my being in Congress has had a material effect upon this debt reduction. However, I do know that the Republican administration which came in after the war has been responsible for a large part of it. The country had gone through a wave of war-time extravagance. The Republican administration, the President, and the Republican Congress set about adjusting matters, reducing appropriations, cutting down taxation, and paying off the debt.

The Republican Congress has been remarkably successful in all these efforts. Appropriations have been reduced. The income tax has been cut down to a point where most people pay none and few complain. The national debt has been reduced beyond the fondest hope of the most optimistic. America has set a pace for debt reduction never before equaled by any nation.

The figures speak louder than words. So here are the figures brought up to date. They show that in the last year—the year ending April 30, 1928—more than a billion dollars was paid on the debt:

Total debt reduction

Aug. 31, 1919, net debt was	$25,478,592,113.25
Apr. 30, 1928, net debt was	17,648,741,409.94
Total debt reduction	7,829,850,703.31

Debt reduction last year

Apr. 30, 1927, net debt was	18,704,958,219.59
Apr. 30, 1928, net debt was	17,648,741,409.94
Debt paid off last year	1,056,216,809.65

FEDERAL TAXES COMING DOWN—STATE AND LOCAL GOING UP

The National Government, through the United States Congress, has made wonderful strides in tax reduction. The peak of Federal tax was in 1921, when they reached the total of $4,905,000,000. In 1926 they had come down to $3,207,000,000, a reduction of $1,698,000,000.

In 1921 the total tax raised by State and local governments was $3,933,000,000. In 1926 these State and local taxes had gone up to a total of $5,348,000,000, an increase in five years of $1,415,000,000—more than 40 per cent.

These figures are taken from report by the National Industrial Conference Board entitled "Cost of Government in the United States," issued in 1927. This book contains much of interest to any student of the tax question.

I do not complain of the States and local governments. The local taxpayer may know what he wants and be willing to pay for it. But I do commend the Congress for its economical administration of public affairs and its ability to reduce Federal taxation. And I know that the Appropriations Committee of the House of Representatives is largely responsible for the expenditure and financial program which has brought the Federal taxes down so substantially.

Here are the comparisons by years, which shows how the Federal taxes have been reduced and how the taxes by State and local governments have mounted in the past five years:

For 1921:	
Federal tax	$4,905,000,000
State and local	3,933,000,000
For 1926:	
Federal tax	3,207,000,000
State and local	5,348,000,000

Here are the figures exhibited in another way, so that you can see how the Federal taxes have come down and the State and local taxes have gone up in the past five years:

Federal taxes for:	
1921	$4,905,000,000
1926	3,207,000,000
Federal tax reduction	1,698,000,000
State and local taxes for:	
1926	5,348,000,000
1921	3,933,000,000
Increased tax	1,415,000,000

HALF THE LUXURIES OF THE WORLD ARE IN THE UNITED STATES

The United States is a mighty good country in which to live. There is none other half so good for the average man. I have traveled in probably 20 other countries in foreign lands and have observed working conditions and living standards elsewhere. I am going to give you some facts and figures about living conditions in America as compared to the rest of the world.

The population of the United States on July 1, 1928, will be a trifle over 120,000,000 people, according to an estimate of the Census Bureau. The population of the whole world is estimated in the World Almanac at 1,900,000,000 people. So the United States has about one-sixteenth of the population of the world.

I have seen boasting statements of the material wealth of the United States as compared with other nations. How it compares with the whole world I do not know. That question is not so important after all. The material wealth of a nation might be largely in the hands of a few. It is in some countries. It is to a very much larger extent in most countries than in the United States.

The standard of living is higher in the United States than in any other nation. That is plain to any man who travels or reads.

And I shall set down the proposition that while the United States has only one-sixteenth of the population of the globe, these few people, in comparison, are enjoying more of the luxur-

ies, the finer necessities, the modern conveniences of this progressive age, than are all the rest of the people of the world put together.

This does indicate something worth while. It indicates much more, I think, than a comparison of the material wealth; it indicates that wealth and opportunity is pretty well distributed among the people of this country.

Take the automobile. There were registered in 1927 in the United States of cars, trucks, and busses, 23,127,315. And in the rest of the world the total was 6,378,160. Leave out the trucks and busses and measure it on pleasure cars alone. The United States had 20,156,115 cars. All the rest of the world put together had 4,927,485. The United States has over 80 per cent of the automobiles of the world. Load them all up with people and you can carry the whole population of the United States in the cars we have and have an average of less than six persons to the car. Let the trucks follow along and they combined could carry about 75 pounds of personal baggage for every man, woman, and child in the Nation.

Now, the iron, steel, coal, railroads, and big things which are evidence of material wealth might be owned by the few, but not the automobiles. It takes many people to own and operate 20,000,000 cars. There are only about 24,000,000 families in the United States. It can readily be seen that a great proportion of these families have cars.

To me there is a big idea in these figures. They indicate to me that the United States is on an automobile standard of living. No other country is. The more prosperous countries of Europe are still on a bicycle standard of living for the great mass of workingmen. And in many of them the workingman can not afford even a bicycle. He walks.

With this automobile standard of living go many other things which were luxuries a few years ago, but are necessities in America to-day.

There is the telephone. I recall when this new thing was a luxury in the homes of the well to do. To-day it is a household necessity in America. There are in use in the United States 18,523,000 telephones, while in all the rest of the world the total is only 12,477,000.

The typewriter is an indication of business-office standards. The American business men are using 6,000,000 typewriters while only about 5,000,000 are used in all the rest of the world.

The luxury of the table might be told in terms of sugar. Sugar is not used alone. It goes with good feeding. It indicates other grocery bills. It can not be raised or made on the farm generally, but must be purchased by the money earned. Sugar can not be consumed in much larger quantities by the rich than by the fairly well-paid wage earner. John D. Rockefeller probably does not consume as much sugar as does a Washington policeman or street-car conductor. The quantity of sugar used in a country per person in that country indicates fairly accurately the table standards of that country. And fortunately we can obtain pretty reliable information about the quantity of sugar used in various lands.

The average yearly consumption of sugar per person, men, women, and children, in the United States is 110 pounds.

In the rest of the world the average is only 27 pounds.

You know something about the relative standards of wages and living conditions in other countries. Let me give you the sugar consumption of several of them just to show you how nearly it conforms to your general knowledge of these countries. Sugar used yearly per person: United States 110 pounds, Great Britain 84 pounds, Belgium 50 pounds, Germany 49 pounds, France 45 pounds, Poland 22 pounds, Italy 16 pounds, and China 3 pounds.

Surely these few brief sugar facts tell the story of the luxury of the American household table and help to show the advanced standard of living in the United States.

In education the United States outranks the whole world. There are in colleges of all kinds in the United States 1,000,000 students. In the rest of the world about 950,000. It is estimated by the Federal Bureau of Education that the people of the United States are spending more money annually on the education of their youth than is being spent by all the other nations in the world combined.

Imposing facts these when all considered together—facts that show how generally wealth, comfort, luxury, education, and opportunity are distributed among the masses of this country.

These conditions do not just happen to a nation. They do not just grow like the forest nor just come like the weather. They are brought about. America has been fortunate in its system of government and in the character of men in high places.

Much of this spread of luxury through the land—this increased spread of opportunity and high standard of living—has been brought about in the past 10 years, since the Republican Congress was elected in 1918.

I am sure that the Republican policies, a tariff for the benefit of American industry, agriculture, and labor; constant reduction of Federal taxes and the public debt; a higher standard of pay for the postal and public service; the restriction of immigration; liberal provisions for the ex-service men in distress; large appropriation for the extension of national and State highways—I am sure that these and many other wise Government policies of this Republican administration have had much to do with the happy condition America finds herself in to-day.

A SHORT HISTORY OF AN APPROPRIATION BILL

The Appropriations Committee meets in advance of the convening of Congress. It has before it the Budget recommended by the President. The Budget is reported in a big book of over 1,500 pages. It contains the items recommended for each department and activity in greatest detail.

The Appropriations Committee is made up of 35 gentlemen; 21 Republicans and 14 Democrats. The committee is divided up in subcommittees for the consideration of the different bills. There is a subcommittee in the Treasury and Post Office Departments. Subcommittee for the Interior Department, the War Department, the Navy Department, Agricultural Department, and so forth. Six gentlemen serve on the first-named and five gentlemen on each of the others.

I happen to serve on the subcommittee for the Treasury and Post Office Departments. This is the largest bill before Congress, amounting to $1,061,342,060. Also on the subcommittee for the Navy, which bill as passed amounts to $362,145,812. After handling these two big bills very intimately my personal problems of a financial nature back home seem very small indeed.

Skeleton bills are printed for each subcommittee. These bills show the Budget estimate for this year for each different item and covers many pages. They also show the amount recommended by the Budget and the amount actually appropriated by Congress for each of the preceding six years.

These different bills are referred to the appropriate subcommittees for consideration. And the subcommittees begin hearings that may cover several weeks each.

We will follow the Navy bill through. The subcommittee on the Navy is made up of five gentlemen—three Republicans and two Democrats. I will say that politics cuts little figure in this committee. Note the sections from which members of this subcommittee come—Mr. FRENCH, chairman, of Moscow, Idaho; Mr. HARDY, Canon City, Colo.; Mr. TABER, Auburn, N. Y.; Mr. AYRES, Wichita, Kans.; and Mr. OLIVER, Tuscaloosa, Ala. Not a seacoast man on the committee. Object, of course, not to have men on that committee who have local interests to consider.

The subcommittee holds hearings that usually run 6 or 8 weeks, meeting daily from 10.30 to 5 o'clock. Members must do their other work largely at night. The bill is analyzed in minutest detail. The Secretary of the Navy, the Assistant Secretary, the Chief of Operations, heads of bureaus and departments, admirals, captains, commanders, and experts in many lines come before the committee and discuss policies and operations and endeavor to justify the amounts of money estimated for their bureau, service, or activity. Experts on submarines, aircraft, ammunition storage, and many other subjects are called. No employee of the Government can ask the Congress for more money than is suggested by the Budget. He is forbidden to do so by the President. Those representing the department have to make a pretty good showing before the committee to get as much as the Budget suggests. The amounts are frequently cut down. The totals for the departments are usually cut down.

After the subcommittee has heard everybody interested a book of hearings is printed. The hearings on the Navy bill this year made 1,225 pages. It is a pretty good compendium of information relating to the Navy. Each subcommittee is working in the same way. Hearings are printed for each bill.

After the hearings are over the subcommittee takes a few days to write up the bill and arrive at the amounts it will recommend to the House. Then the bill is presented to the whole Appropriation Committee for discussion and approval. It is usually approved and reported out.

The bill then comes up in the House in its regular order. It usually requires from three to six days to pass an appropriation bill in the House. There is much debate and many speeches. Question of policy, number of men, number of ships, number and class of airplanes, pay and allowances, submarines, airplane carriers, guns, and ammunition are discussed.

Some amendments are sometimes offered on the floor, but few amendments are adopted to an appropriation bill. Practically none that the committee does not offer or approve of.

The Navy bill this year was reported out at $359,190,737. The House added $227,500 with approval of committee.

After the bill passed the House at $359,418,237 it went to the Senate. There it was studied by the committee, reported out, and passed the Senate at $363,737,017.69. The Senate had boosted the bill by $4,318,780.69.

The bill comes back to the House as amended and the House refuses to accept amendments and asks for a conference.

For several weeks the subcommittee of the Senate and subcommittee of the House meet in conference occasionally. All the different items the Senate has added are thoroughly discussed. The House accepts a few, the Senate gives up a few, and we stick for some weeks on the big ones. The question of number of men in the Navy is one of the sticking points.

The House provides for 83,250 men. The Senate wants to provide for 86,000 men. It costs upward of $1,000 per year for each man in the Navy. Here is a difference of about $2,250,000 on men alone. After many meetings and much argument an agreement is reached late in the session. Both sides give up some. The Senators agree to 84,000 men. The House conferees accept 84,000 men. The Senate bill is reduced by $1,591,205.69. The House conferees feel that they have done the best they could—that a million and a half dollars is worth saving.

The conference report is signed, reported back to both Senate and House, and adopted. Conference reports are usually adopted.

The Navy bill now stands at $362,145,812 for the coming year, is sent to the President, signed, and becomes law.

With the Post Office bill we had better luck. The subcommittee of six gentlemen wrote up the bill at $764,950,042, which was $3,100,000 less than the Budget recommended. The whole committee reported it out as written. The House passed the bill without a single change. The Senate added $36,000—small item, indeed. Bill went to conference and the conference agreed to cut the $36,000 off. Bill goes back to both Houses and is passed identically as written and originally reported by the small subcommittee of six gentlemen.

This, in brief, is the history of all appropriation bills. The bill as finally adopted reflects the calm judgment of the Bureau of the Budget, two appropriation committees, the two Houses of Congress, and is approved by the President. It is a good deal harder to get items into the appropriation bills for local benefits than it used to be. The Budget system and the big Appropriations Committee of the House are saving the country a lot of money every year.

LIQUID GOLD

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of dairying, and to include also a short article written by Mr. George M. Moreland, an authority on the subject.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the permission granted me to extend my remarks in the RECORD, I insert the following article written by Mr. George M. Moreland, which appeared in the Memphis Commercial Appeal recently, entitled Liquid gold:

LIQUID GOLD

By George M. Moreland

When the builders of Mississippi drifted westward from their ancestral homes in Virginia, the Carolinas, and Georgia, possessed of that spirit of wanderlust which has ever been a characteristic of the builders of America, they blazed a trail, known in history as the Natchez Trace, which extended diagonally across Mississippi and extended from Nashville to Natchez. It was but natural that along this early highway of the pioneers settlements would spring up as the tired journeymen, weary of their arduous trek, would find inviting locations by the roadside.

Among the undulating hills of northeastern Mississippi this trail crossed two creeks which had their source among the hills and meandered southward toward the flow of the larger Tombigbee. Only a slight ridge, or backbone, extended between the valleys of these two creeks. When the first white adventurers reached that section they found an Indian settlement upon this ridge about midway between the two creeks, where an Indian chieftain lived and kept a tavern for the entertainment of pale-faced travelers.

Travelers along this historic route not only found an Indian settlement upon this ridge, but traditions among the Indians whispered, and later authenticated history substantiated their statements, that half a century or more before the advent of the American pioneers an adventuresome army under the command of an intrepid Frenchman, Bienville, had explored the surrounding hills and fought upon that selfsame ridge a famous battle known in the history of Mississippi as the Battle of Ackia. Some historians, delving into what must always remain a mooted subject, also insist that De Soto himself marched over that ridge and among those hills when on his famous march through America.

Many of the pioneers became infatuated with this section and unloaded their packs and became the first settlers of the country. They gave a name to one of the creeks which flowed through the inviting country which had so captivated them that they abandoned all desire to reach the goal of so many of the pioneers, Natchez. They called the creek Old Town Creek, while the other creek they permitted to retain its musical Indian name, Coonewah. Nearly a century ago a treaty was signed at Pontotoc Creek, a score of miles northward, which gave the white settlers a legal right to the lands upon which they had settled and sent the Chickasaws on their pathetic journey westward.

I journeyed to that land this week in northeastern Mississippi where these hardy old pioneers settled along the hills that overlook the narrow valleys of Old Town Creek and the bewitching Coonewah. I saw the serried hillslope where the Battle of Ackia was fought and had pointed out to me the location of the Indian village, no longer in existence, where a good old squaw entertained weary and footsore travelers on their way from Nashville to Natchez. I saw historic old homes, redolent with tradition, which were built by these pioneers. This section is ablaze with legend, tradition, and beautiful local history. Old homes, old churches with the glaring tombstones of the pioneers in the churchyards, and other evidences of a land of beautiful traditions I saw upon all sides of me. A battle field where America's manhood was matched in martial array is a hallowed part of the historic background of this interesting section.

Within the heart of this inveigling and historic land, close to the flow of Old Town Creek, with the prattling Coonewah just over the ridge of hills, sits now a beautiful city, built by the industry, intrepidity, and genius of the pioneers themselves and their children who inherited all the virtues brought to Mississippi by their fathers when Mississippi was in the building.

Although not the largest city in Mississippi, there are probably few other municipalities within the borders of the State more widely or more favorably known than this city which sits like a queen upon a regal throne in this inveigling land of tradition and history.

I have been told that half-forgotten traditions and local annals can mean but little in this modern day of hurry and frenzied excitement. I think I understand why this progressive city of which I write has attained to the crowning glory of being one of the most prosperous sections of the Magnolia State, because I know the local traditions and am familiar with the heroic stories of the intrepid pioneers who settled in this beautiful section.

Tupelo! There is music in the very word, and progress seems to echo in the air when the name of this unusual little city is mentioned. I love to write of history. It has been a sore temptation to me to launch into a dissertation on the infatuating and glorious local history of this wonderful section. How much richer and how much more alluring is the enthralling local annals of Mississippi that the annals of the country surrounding Tupelo are a part of it! But sorely as I am tempted to do so this will not be a story of local annals, legends, or traditions, much as I would delight to write them.

I expect there are more people in these United States who know there is a county in Mississippi named Lee than there are people who could name any other county of the Magnolia State. And why? There are other counties in Mississippi with more fertile lands. That fact the people of Lee County themselves will frankly admit. It is not a large county. Only one other county of the State is smaller than Lee, yet it is a famous county.

In recent years newspapers, farm journals, and magazines have carried salutary stories of the progress of Lee County. I have heard of that progress myself and it was therefore with interest that I journeyed toward Lee County. I wanted to see all this progress within the bounds of Lee of which I had been reading. I not only wanted to see it, but I wanted to ascertain why Lee County should attain to such public notice—to see why and how the thing was done. I always like to learn the "why" of the things that I see as well as to learn that the things are so.

I came to Lee County with unprejudiced eyes. Although I spent my youth within sight of its borders I journeyed to Tupelo with but one resolve. Reports have stated that the people of Lee County are prosperous—that they have become prosperous because they learned the secret of extracting a kind of "liquid gold" from the tender grasses that grow upon the sun-kissed hillslopes that overlook the meanderings of Old Town Creek and the rollicking Coonewah. Strange contrast that! In 1849 adventurers journeyed across mountain tops, desert wastes, and savage-infested lands to search for gold along the banks of the San Joaquin and the petulant Sacramento. These Lee County farmers, secure in their own comfortable homes, evolved a plan to extract liquid gold from the pasture lands of their own farms by using gentle and meek-eyed Jersey cows instead of shovels and spades as their tools for working.

It is about that liquid gold that I will write to-day. I hope by writing an impartial, unprejudiced, and accurate account of how these Lee County farmers "performed the trick" I may encourage other

ambitious communities in the tri-States territory (particularly hoping the farmers of my own Arkansas will carefully peruse this story) to emulate Lee County's example.

There are 4,700 farmers in Lee County, slightly more than 3,300 of them being white farmers. About 1,209 of these farmers grow soy beans upon their lands. Within the week before my visit more than $6,000 worth of pasture seeds, such as clovers, alsike, and grass seeds, were sold to the farmers, the supply of seeds being exhausted before all farmers who desired seed were supplied. A year ago there were, by actual count, 9,000 cows in Lee County. The number is estimated now at 15,000. Nearly all these cows are purebred cows, and there is not a scrub bull in Lee County. During the past 18 months 55 purebred bulls have been placed in the county, the average price being $300, though a few are much more expensive. Yet with all these cows last year Lee County produced 26,000 bales of cotton, more than any other year in its history except four,

It was in 1914 that eight progressive men aspired to see established at Tupelo a creamery where the farmers, who even then kept a few cows, might dispose of their surplus milk. These men contributed $50 each to secure this creamery. At first the output of this creamery was small. Tupelo people smile now when they talk about it. But it increased in output every year. That was the beginning. Even the oak, you know, according to the old axiom, began by being a lowly acorn, buried among the leaves. Aspiring communities note that statement.

In 1916 the banks of the county became interested. I would particularly invite the attention of my readers to that fact. Men with money not only assisted the farmers but an educational campaign was started. The farmers were deluged with booklets and literature on diversification and dairying. Two carloads of registered heifers were bought by the banks of Lee County, all the banks of the county working splendidly together and distributed among the farmers. Ceaselessly, like they were waging a battle against an enemy, these wise, patriotic bankers kept doggedly at their job—self-assigned task, mind you—of educating and encouraging the Lee County farmers.

Right here let me state that the bankers in one respect were fortunate. They had a highly intelligent body of students. The farmers of Lee County, many of them owning their own little farms, which had been passed down to them from a prior generation, are as intelligent as any farmers of America. The dauntless spirits of the pioneers who came to Lee County over the old Natchez Trace still survive within the breasts of these sons who are evolving a veritable paradise here along the banks of Old Town Creek and the Coonewah.

Some five years ago the Lee County Bankers' Association, of which S. J. High, of the Peoples Bank & Trust Co., of Tupelo, is president, decided that the program of education had gone beyond their ability to manage. To be exact, the farmers had passed the elementary stage of instruction in dairying and were ready for a university course, which the bankers themselves were not capable of giving. What did they do—these splendid bankers who are building an empire down in beautiful Lee? Did they quit because the farmers had become pretty good dairy farmers? No, indeed. The bankers found a skilled dairy specialist, Sam B. Durham, and employed him at the expense of the Lee County Bankers' Association.

Then things picked up—picked up at a rapid rate. Mr. Durham, if a crude but expressive slang phrase be pardoned, "knew his onions." He continued the course of university instruction among the Lee County farmers. In 1927 the great Carnation Milk Co. came south, seeking a location for one of its plants. Many localities were inspected and the plant, after mature deliberation, was located at Tupelo. Its first day of operation 19,000 pounds of milk were delivered from the farms of Lee County. I visited that plant to-day. The receipts, according to Mr. Newman, the manager, were nearly 65,000 pounds, although this is the "off season" for the production of an abundance of milk.

That, in substance, is a summary of conditions and the manner of their evolution in Lee County, Miss., as a dairy section. That information was given me by an authoritative source in Tupelo. But I always like to see things for myself before I confide to my readers my opinions on any subject. In company with Sam B. Durham, dairy specialist, and C. W. Troy, prominent druggist and influential citizen of Tupelo, I made a journey out through the rural sections of Lee County. First, I would particularly impress the fact that this county has good roads. Three great highways pass through the county and the local roads are nearly all of gravel. Although the second smallest county in the State there are 400 miles of surfaced roads in Lee County, more than in any other county in Mississippi and probably a rival for any similar area in America, broad as the statement may be. To D. W. Robins, one of the State highway commissioners, this distinction should unquestionably be credited.

Lee County is a panorama of beauty. At nearly every farmer's gate I saw from one to half a dozen milk cans. I saw "contented cows," the kind advertised as giving the milk for the great plant which located a branch at Tupelo, grazing in hundreds of emerald-carpeted pastures. I saw neatly painted and handsome farm homes dotting the beautiful and progressive landscape wherever I chose to look. I saw barns, some new, but many converted into milking barns by the use of other building, one ingenious farmer utilizing a woodshed into a convenient and modern dairy barn.

Lee County has a large negro population. Some may wonder what poor old "Uncle Tom" will do for a living now that the cotton fields are passing—if they are passing—which is probably not true. On the farm of Dr. J. T. Alston I saw a herd of cows. These cows are milked by negro tenants "on the shares" exactly as cotton has been grown since the enforcement of the Emancipation Proclamation. Mr. Durham informed me that the negro takes readily to the new kind of farming, especially after he discovered that "Christmas comes the 15th of every month" on pay day, as it formerly came only annually when the cotton crop was sold. He pointed out to me dozens of negro homes, where I saw milk cans at the gate. The herd of 13 cows on the farm of Doctor Alston cleared for their owner and his negro tenants exactly $1,160 over a period of nine months.

O. B. Rogers is another farmer who "works his cows on shares" with his negro tenants at a profit both to the owner and the tenants. I visited his farm and inspected his modern dairy innovations.

A. Reece is a small farmer. He does not keep many cows but his farm home was spick-and-span and each cow he keeps netted him $200 worth of milk last year. Many men who work in factories and other public employment at Tupelo live in the country, easily reached by excellent roads in any direction, and their wives and children keep a few cows to add to the family exchequer. One young man, desiring to have "spending money" to buy gas for his Lizzie without asking "dad" for it, bought him a cow, milks it himself, and is the envy of his less ingenious companions. A teacher at the rural school at Bissell keeps cows and wisely gives a student or two their weekly board to help him do the milking at eventide.

And thus it goes. Even our illustrious Congressman, JOHN E. RANKIN, owns a beautiful expanse of undulating hills upon the former site of the Battle of Harrisburg. While he is in Washington enthralling a Nation with his oratory his "share croppers" with cows place the familiar milk can at the gate every morning, the Congressman receiving 40 per cent of the profits on the venture, the tenant feeding the cows and receiving the other 60 per cent.

Robert Weaver is a young man whom one might select as being anything but a farmer. He looks more like a professional man—probably a lawyer or a physician. He is, incidentally, a grandson of that great genius who first invited the attention of the world to the advantages of Lee County, John Allen. But I was convinced that young Weaver is indeed a farmer when he showed me on one hill slope nearly 800 White Leghorn hens and some 3,000 little chicks, as well as about 2 dozen fine Jersey cows.

Later, I found this same young man, Robert Weaver, at his other farm, where he showed me a herd of about 50 of the finest cows, headed by a bull recently imported, probably in all Lee County. A dapper young man, looking, I nearly tempted to say, like a sheik, this scion of the great "Private" John M. Allen is engaged in the work in which so many of his neighbors are likewise engaged of making Lee County the premier dairy center of Dixie.

Lastly, I visited the Carnation Milk plant, saw truckload after truckload of milk delivered and, through the courtesy of Mr. Newman, the manager, followed that milk from the wagon through the great and immaculately clean plant to the pasteboard cartons and ready for delivery to the jobber or wholesaler. Throughout its interesting journey the product is not touched by human hand, not even when placing the label on the cans or placing the cans in the pasteboard cartons. It is all done by ingeniously made machinery.

But there is even one other reason, I observed, why Tupelo and Lee County have attained to such enviable distinction along agricultural lines, particularly referring to dairying. After Mr. Durham had so splendidly proven to me to my entire satisfaction that Lee County's farmers actually "produce the goods" I returned to Tupelo not yet quite satisfied. I wanted to make certain I had ascertained why the farmers had attained such phenomenal success. I think I did learn why and I believe if this last lesson were applied to any other community in the tri-States similar gratifying results would be obtained.

While I was at Tupelo I purposely talked to all kinds and classes of people. I talked to professional men—doctors, preachers, and lawyers. I talked to business men, farmers—white and colored—and I also sought opportunity to talk to the ladies and even children. Not one of them owns a hammer. None of them had an unkind word to say about Tupelo or Lee County. On the contrary, all were boosters. One young pharmacist touched the keynote of Lee County's progress when he said to me, "I like to boost Lee County and Tupelo; I like to hear everybody else in the world boost Lee County and Tupelo. It is a good place to boost, and I also want you to boose Lee County and Tupelo."

That's it! After all, the bankers, the farmers, the dairy specialists, and all other agencies would have been powerless to put over the great program they have put over if every mothers' son and daughter among Lee County's citizenship had not been as a unit "for Tupelo and Lee County." It is a land of "liquid gold." As the historic Old Town Creek and the bewitching Coonewah flow placidly through this great panorama of prosperity, methinks if the spirits of the dauntless pioneers

who halted here in their trek down the Natchez Trace could look back from that bourne whence long ago their interpid souls have been wafted they would pour out benedictions upon the land, now overflowing with beauty and wealth, where they halted a long time ago and made the first permanent settlements.

DEVELOPMENT OF THE CONSTITUTION

Mr. KENT. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KENT. Mr. Speaker and gentlemen of the House, some of us in eastern Pennsylvania have been making an exhaustive study of the part played by Pennsylvania in the adoption of the Federal Constitution. My own county in Pennsylvania played a very conspicuous part. Therefore, I ask unanimous consent to extend my remarks in the RECORD upon that subject, and in addition to that, the Hon. Henry J. Steele, who served here with great distinction for three terms from 1914 to 1920, has been a leader in this work, and with the permission of the House I shall use some of his researches in connection with my extension.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. KENT. Mr. Speaker, for a great many years Northampton County, Pa., together with all the other great counties of the State, has taken a leading part in the study of the development of the American Constitution. I wish to say a few words relative to the part which was taken by Northampton County and the Pennsylvania German in the ratification of the Federal Constitution. Under leave to extend my remarks I secured permission also to use the researches of the Hon. Henry J. Steele, who has devoted a great deal of time to the study of this question. Mr. Steele was for three terms a distinguished Member of this body, and in all of his work upon constitutional and congressional questions has applied a wide and varied experience in such way that the public has greatly benefited thereby. I am very happy to insert his researches at this juncture, and I believe that they will be of lasting benefit to the people.

PART TAKEN BY NORTHAMPTON COUNTY AND THE PENNSYLVANIA GERMAN IN THE RATIFICATION OF THE FEDERAL CONSTITUTION

The creation and adoption of the Federal Constitution was the work of men of great ability and the ripest political experience. It turned what had been a confederation or league of states into a federal state or central government. But this central government was not to supersede the government of the States. The problem to be solved was, therefore, twofold: First, to create a central government; and second to determine the relations of this central government to the States. For this central government it created a new frame of government with carefully granted powers, and all powers not so granted to the central government were reserved to the several States. De Tocqueville, the eminent French statesman and philosopher said that this plan rested "in truth upon a wholly novel theory, which may be considered as a great discovery in modern political science." Previous to this time no republics with written constitutions for the government of widely scattered states were in existence. All that had been done, both in ancient and modern times in forming, molding, or modifying constitutions of government, bore little resemblance to the American Constitution. The convention, therefore, which framed this Constitution had not only to create anew, on the most slender basis of preexisting national institutions, a national government, but they had in so doing to respect the fears and jealousies and apparently irreconcilable interests of thirteen separate Commonwealths, to all of whose governments it was necessary to leave a sphere of action wide enough to satisfy a deep-rooted, local sentiment, yet not so wide as to imperil national unity. Well, therefore, might Hamilton exclaim: "The establishment of a constitution in time of profound peace, by the voluntary consent of the whole people, is a prodigy, to the completion of which I look forward with trembling anxiety." The prevailing feeling among the higher statesmen of the country was that the convention was an experiment of doubtful tendency, but one that must nevertheless be tried. Washington, Madison, Jay, Knox, Edmund Randolph have all left upon record the evidence of their doubts and their fears, as well as of their convictions of the necessity for this last effort in favor of the preservation of a republican form of government.

But they builded better than they knew. The Constitution which they framed has not only survived a civil war and almost a century and a half of time, but has been used as a model for the government of republics since created. There were then but few republics. To-day there are but few governments of a different kind. It was created out of bitterness and strife in the convention during the four months of its debates. The majority never had more than 46 votes and the minority never less than 23. It sat with closed doors, which of itself aroused suspicion and gave it the nickname of the dark conclave. The Federalists wished to send the new plan to the States by the undivided vote of Congress. Others wished to send it, if at all, without one word of approval. But this they could not do unless the Federalists were willing. In the end each party gave up something. The Federalists agreed to withhold all words of approval. The anti-Federalists agreed to unanimity in such submission. By this action only was the bitterness of the convention postponed to the ratification period.

The history of the framing of the Federal Constitution has been well covered and is familiar to nearly all historical students, but the complete story of its ratification by the States and the various influences which brought it about remains to be written. I propose to trace briefly the steps leading to its ratification by Pennsylvania, the first State to take up the question, the influence of the so-called Pennsylvania German element as the balance of power, and the part played by Northampton County in the ratification by the State. To do this understandingly a survey of the then existing conditions must first be made.

Previous to the adoption of the Federal Constitution there existed along the eastern coast of the Atlantic thirteen Colonies, the largest of which had not more than half a million free people, and the total population of which did not reach 3,000,000. All owed allegiance to the British Crown. Acts of the British Parliament ran then substantially as they now run in Canada, but practically each colony was a self-governing commonwealth left to manage its own affairs with scarcely any foreign interference. Each had its legislature, its own statutes, adding to or modifying the English common law.

When the oppressive measures of the British Government roused the Colonies, they naturally sought to organize their resistance in common. Singly they would have been an easy prey, for it was long doubtful whether even in combination they could achieve their independence. A congress of delegates from 9 colonies, held at New York in 1765, was followed by another at Philadelphia in 1774, at which 12 were represented, which called itself "Continental," and spoke in the name of "the good people of these Colonies," the first assertion of a sort of national unity among the Colonies. The second congress, and the third, which met in 1775, and in which thereafter all the Colonies were represented, was a revolutionary body called into existence by the war against the British mother country. In 1776 it declared the independence of the Colonies, and in 1777 it gave itself a new legal status by framing the "Articles of Confederation and Perpetual Union," whereby the 13 States entered into a "firm league of friendship" with each other, offensive and defensive, while declaring that "each State retains its sovereignty, freedom, and independence and every power, jurisdiction, and right which is not by this confederation expressly delegated to the United States in Congress assembled." The confederation which was not ratified by all the States till 1781 was rather a league than a national government, for it possessed no central authority except an assembly in which every State, the largest and smallest alike, had one vote, and this assembly had no jurisdiction over the individual citizens. There was no federal executive, no proper federal judiciary, no means of raising money except by the contribution of the States—contributions which they were slow to render—no power of compelling the obedience to Congress either of States or of individuals. The plan worked badly even while the struggle lasted, and after the immediate danger from England had been removed by the peace of 1783 it worked still worse, and was in fact as Washington said, "No better than anarchy."

Internal difficulties and the contempt with which foreign governments treated them at last produced a feeling that some firmer and closer union was needed. Finally Congress recommended the States to send delegates to a convention which should "revise the articles of confederation and report to Congress and the several legislatures such alterations and provisions therein as shall, when agreed to in Congress and confirmed by the States, render the Federal Constitution adequate to the exigencies of government and the preservation of the Union." The convention thus summoned met at Philadelphia on the 14th of May, 1787. Among its members were found many of the best intellects the United States then contained. It consisted of 55 delegates, 39 of whom signed the Constitution, which it drafted. It sat four months and expended upon its work an amount of labor and thought commensurate with the magnitude of the task and the splendor of the result. One of its first questions was whether its power was limited to a mere revision or whether it could propose a new form of government. It boldly decided in favor of the latter. The debates were secret, for criticism from without might have imperiled a work which seemed repeatedly on the point of breaking down, so great were the difficulties encountered from the divergent sentiments and interests of different parts of the country, as well as of the larger and smaller States. It closed its deliberations on September 17, 1787.

The difficulties incident to the ratification of the proposed Constitution were enormous. The old Congress was still in existence as the National Government, but it was in even lower repute and of less influence than it had been earlier in the decade; and it confessedly had neither the authority nor the power to take effective steps for the establishment of the new form of government. The convention accord-

ingly determined to report its proceedings to the old Congress, which body was to submit the Constitution to each State for acceptance or rejection—the people of each State expressing themselves through a convention called for the purpose. All questions at issue were now revived in the vigorous and protracted discussions and contests which took place in several of these conventions. Two bitterly opposing parties arose—the Federalists and the anti-Federalists—the former favoring the Constitution and the latter rejecting it.

The conflict opened in Pennsylvania. She was the first of the large States to ratify the Constitution, and her prompt action greatly influenced the result. Had this action been less prompt or less decided it would have opened the way to dissensions and amendments that would in all probability have caused the rejection of the Constitution, or have sunk it to the level of the Articles of Confederation. Preceded only by Delaware in taking final action on the Constitution, she was the first to undertake its consideration. But in order to understand the real nature of this conflict it is necessary to recall conditions in Pennsylvania as they existed down to that time.

Great Britain having acquired sovereignty over Pennsylvania by right of discovery and conquest, Charles the Second granted to William Penn, on March 4, 1681, all the territory now within the limits of that State, and in the following year he visited his Province, remaining there almost two years. He established a constitution and formulated a code of laws which guaranteed civil and religious freedom to every inhabitant within the limits of his Province. Lands were offered for sale in blocks of 5,000 acres for £100. This was at the rate of 10 cents an acre, reckoned at the present value of money, for the choicest land in the colony. Such liberal terms upon which to acquire land gave a great stimulus to emigration, and it was not long before a great stream of humanity from the Old World began to flow into the Province and continued to flow with little abatement for upward of three-quarters of a century. About that time the German Palatinate had been devastated by religious and other wars and its people were looking for some spot on earth where they could go and live in peace, freed from their cruel oppressors. Penn made several visits to the Palatinate, when he pointed to his Province in America as the solution of their problem. He spoke the German language fluently and therefore had no difficulty in cultivating the most intimate personal relations with them. He wanted colonists and the Palatines wanted to leave their desolate and ruined homes in the land of their birth. What they most desired was peace, civil and religious freedom, and title to their land by peaceful means, not by conquest. In order to acquire these privileges these German peasants, not united in one nation in their home country, poured streams of their people into a British colony more than 3,000 miles distant across the Atlantic, whose language and government were alike strange to them. At the time of the Revolution Franklin and others estimated that the Germans in Pennsylvania numbered about one-third of the population, or about 110,000; but others estimated it considerably larger. They were settled in the counties of Philadelphia, Bucks, Northampton, Chester, Berks, York, Lancaster, Dauphin, and Cumberland. In 1752, when Northampton County was created, it had a population of about 6,000, of which 600 were Scotch-Irish and the remainder were Germans. The Province had three classes of inhabitants—the Quakers, the Scotch-Irish, and the Germans. The Quakers were by nature and religion peaceful. They were living under a proprietary rule which was practically controlled by themselves. The Scotch-Irish were so well satisfied as to be little tempted until the issue of liberty was clearly defined, when they stood shoulder to shoulder with the Germans. The Germans came to find a home and found it. With this home they were accorded a quite full measure of freedom, which brought with it a large degree of happiness, and a correspondingly kind feeling for their Quaker neighbors and rulers. If they had been given proper popular representation in the governing body, their attitude might have been different. But when the issue in 1776 was suddenly enlarged into a broad demand for final separation from Great Britain and the creation of a Republic all their traditional love of freedom was fully aroused. Bancroft, the historian, says of them: "The Germans, who constituted a large portion of the population of Pennsylvania, were all on the side of freedom."

Under the proprietary rule they were practically without representation in the general assembly and without voice in the government. The qualifications for office were confined to natural-born subjects of England or persons naturalized in England or in the Province, who were 21 years old and freeholders owning property and resident there for at least two years. The delegates to the Colonial Congress were selected by the general assembly. With the Germans disfranchised, the Tories controlled the government. Peaceful efforts in the assembly to enfranchise the Germans by repealing the naturalization laws and oath of allegiance to Great Britain had failed, and this had to be accomplished by revolution, because their enfranchisement would give the friends of liberty and union an overwhelming and aggressive majority. This was resolved on, and on May 15, 1776, Congress adopted a resolution recommending to the Colonies the call of a convention to adopt such government as shall in the opinion of the representatives of the people best tend to the happiness and safety of the people. In consequence of this resolution, a number of gentlemen met at Carpenters' Hall, Philadelphia, on June 18, 1776, having been appointed by committees of safety of the various counties, and issued an address fixing July 8 as the day for election of deputies, who met in convention on July 15, 1776, and adopted the Constitution of 1776, without its being submitted to the people. The adoption of this Constitution not only enfranchised them but made the Declaration of Independence possible. The effect of this new order of things was felt immediately throughout the Colonies. The proprietary government, with its Tory assembly, was overthrown, and when, on July 2, 1776, the Colonial Congress reached a vote on the resolution declaring the Colonies free and independent States the vote of Pennsylvania was changed from that of opposition to a vote cast in its favor. The English people of the Province having been divided, the Germans were the potential factors in securing the essential vote of Pennsylvania for the Declaration of Independence. The English people of the Colony consisted of Quakers and Scotch-Irish, who had emigrated from Ulster, in Ireland, and it was the union of the Ulstermen with the Palatinate stream from Germany that brought about the revolution in Pennsylvania. These are pregnant facts, worthy of marked notice in the story of independence, which hitherto have received scant attention from historians.

It has been stated that the convention which framed the Federal Constitution had reported its proceedings to the old Congress, which body submitted it to the several States for ratification. When formally sent out to the people of the State it at once became the subject of a violent contest, which continued almost to the day when Washington was sworn into office. The convention that framed the Federal Constitution sat in the old statehouse, at Philadelphia, and after a stormy session of four months ended its labors on September 17, 1787. While these things were taking place in a lower room of the statehouse the Legislature of Pennsylvania was in session in a room above, and to it, on the morning of September 18, the Constitution was read. At 11 in the morning of that day Benjamin Franklin, more than fourscore years of age, then President of Pennsylvania, fulfilling his last great public service, was ushered into the hall of the assembly, followed by his seven colleagues of the convention. After expressing in a short address their hope and belief that the measure recommended by that body would produce happy effects to the Commonwealth of Pennsylvania as well as to every other of the United States, he presented the Constitution and accompanying papers.

For the next 10 days the house confined itself to its usual business; but as it had resolved to adjourn sine die on Saturday, the 29th, it was moved, on the morning of the last day but one of the session, to refer the acts of the Federal Convention to a convention of the State. This provoked a long and bitter debate and resulted in a postponement of the question until 4 in the afternoon.

At 4 o'clock the assembly met, with the speaker and every Federal member in his place. But all told they counted only 44, and 46 was necessary for a quorum. Without a quorum the house would be forced to adjourn with the day for the election of delegates unfixed and the manner of choosing delegates unsettled. It was accordingly arranged that not one of the 19 minority should go to the afternoon session, and none did. After waiting a while and no more coming in, the speaker sent out the sergeant at arms to summon the absentees. None would obey, and the House was forced to adjourn to 9 o'clock Saturday morning. When the speaker had taken the chair on Saturday morning a quorum was still lacking, and the sergeant at arms and the assistant clerk were dispatched to hunt up the absentees and summon them to attend. The two officers went first to the house of Major Boyd, where some of the members lodged, and where were James M. Calmant, who sat for Franklin, and Jacob Miley, from Dauphin. They stoutly refused to go. The people, however, decided that they should, broke into their lodgings, seized them, dragged them through the streets to the State House, and thrust them into the assembly room with clothes torn and faces white with rage. The quorum was now complete, and the resolution calling the convention to meet at Philadelphia on the day for holding the general election in November was carried by a vote of 43 to 19. When this vote was made public the editor of a German newspaper at Lancaster pointed with pleasure to the fact that 12 Germans were among the majority. The two assemblymen from Northampton—Messrs. Trexler and Burkhalter—voted with the majority.

While these things were happening in the assembly the minority were busy preparing an address to the people, which 16 of the 19 signed. The objections of these men were 10 in number. The new plan was offensive because it was too costly; because it was to be a government of three branches; because it would ruin State governments or reduce them to corporations; because the power of taxation was vested in Congress; because liberty of the press was not assured; because trial by jury was abolished in civil cases; and because the Federal judiciary was so formed as to destroy the judiciary of the States. There ought to have been a declaration of rights and provision against a standing army. They were at once answered in verse, in squibs, in mock protests, in serious and carefully drawn replies.

The election, however, to which the factions looked forward with most concern was that of delegates to the convention. Four weeks were to come and go before this took place, and during these weeks

the anti-Federalists were all activity. A friend was found in the publisher of a newspaper known as the Independent Gazetteer, and a champion in the unknown author of the letters of "Centinel." Who "Centinel" was is not known, but the letters deserve the same rank in the list of papers opposing the Constitution that has been given to the Federalist in the list of papers supporting the Constitution. To strictures such as these a number of replies were made by the Federalists, the most notable of which was the speech of James Wilson at the statehouse.

Election day was the 6th of November and with it a decisive victory for the supporters of the Constitution. The delegates chosen to the convention met at the statehouse on Wednesday, the 21st of November, when 60 of the 69 members were present. The 60 who answered to their names made up a body as characteristic of the State as has ever been gathered. Scarcely a sect or creed or nationality in the Commonwealth but had at least one representative on the floor of the convention. Some were Moravians, some Lutherans, some Episcopalians, some Quakers; many were Presbyterians. Some were of German descent.

Of the proceedings of the convention no full and satisfactory record is known to exist. For our knowledge of what was said and done we are indebted to the summaries of the debates that appeared in the newspapers and the notes of members.

By a vote of 46 to 23 the convention ratified the Constitution just as it came from the body that framed it. Without waiting to sign it, the convention, with all the State dignitaries, both civil and military, went in procession the following day to the statehouse and read the ratification to a great gathering of the people. On Saturday, the 15th of December, the convention adjourned.

More than half of the votes recorded in favor of ratification came from the German counties and was the balance of power in the convention. At the first meeting of the Pennsylvania German Society, in 1890, Hon. George F. Baer, a former president of the Reading Railroad Co. and father of Mrs. Rolla Knapp, of Easton, in a notable address said: "You see it is absolutely true, as the English people of the Province were divided in 1776, the Germans were the potential factor in securing the essential vote of Pennsylvania for the Declaration of Independence." And at the meeting of that society in 1892 Dr. W. H. Egle, a well-known Pennsylvania historian, said: "The supremacy in the Constitutional Convention of 1789–90 was undoubtedly German, and their acknowledged ascendency resulted in its passage in and out of the convention."

And now the minority published their address and reasons for dissent. Twenty-one of the twenty-three minority signed the address. It is remarkable that these reasons contain the substance of the 10 amendments afterwards added to the Constitution. Similarity so marked can not be accidental. There is much reason, therefore, to believe that when Madison, in 1789, drew up the amendments for the House of Representatives he made use of those offered by the minority of the convention of Pennsylvania. Another matter of historical interest connected with the minority is the fact that in the delegation from Berks County was Abraham Lincoln, who voted with the minority from start to finish. He belonged to a collateral branch of the original ancestry of President Lincoln, who were Quakers and settled in Amity Township, Berks County.

The example of issuing an address to the public thus set by the minority was quickly followed by individual members of the majority. No sooner did they reach their homes than they, too, made appeals to their constituents under the form of reports to county meetings. The earliest of these was made at Easton, December 20, five days after the adjournment of the convention, signed by the four delegates from Northampton County. The report was as follows:

"Friends and fellow citizens of Northampton County:

"The representatives of this county in the late convention of this State think it their duty, as servants of the public, to lay before you, their constituents, the result of their deliberations upon the new Constitution for the United States, submitted to their consideration by a resolve of the legislature for calling a State convention.

"The debates at large we have reason to expect will be published, wherein those whose inclination may lead them to it, will find a detail of all the arguments made use of either for or against the adoption of the Constitution. Our intention, therefore, is not to enter fully into an investigation of the component parts of it but only to inform our constituents that it has been carefully examined in all its parts; that every objection that could be offered to it has been heard and attended to; and that upon mature deliberation, two-thirds of the whole number of deputies from the city and counties of this State, in the name and by the authority of the people of this State, fully ratified it, upon the most clear conviction:

"1st. That the State of America required a concentration and union of the powers of government for all general purposes of the United States.

"2nd. That the Constitution proposed by the late convention of the United States, held at Philadelphia, was the best form that could be devised and agreed upon.

"3rd. That such a constitution will enable the representatives of the different States in the Union to restore the commerce of all the States in general and this in particular to its former prosperity.

"4th. That by a diminution of taxes upon real estates agriculture may be encouraged and the prices of lands, which have of late greatly declined, will be increased to their former value.

"5th. That by imposing duties on foreign luxuries, not only arts and manufactures will be encouraged in our own country but the public creditors of this State and the United States will be rendered secure in their demands without any perceptible burthen on the people.

6th. That all disputes which might otherwise arise concerning territory or jurisdiction between neighboring States will be settled in the ordinary mode of distributing justice without war or bloodshed.

"7th. That the support of government will be less expensive than under the present constitutions of the different States.

"8th. That all partial laws of any particular State for the defeating of contracts between parties or rendering the compliance therewith on one part easier than was originally intended, and fraudulent to the other party, are effectually provided against by a prohibition of paper money and legal tender laws; and

"9th. That peace, liberty, and safety, the great objects for which the late United Colonies, now free independent States, expended so much blood and treasure, can only be secured by such an union of interests as this Constitution has provided for.

"In full confidence that our unanimous conviction and concurrence in favor of this Constitution will meet the entire approbation of our constituents, the freemen and citizens of this county, we have the honor to subscribe ourselves.

"Their devoted servants,

"JOHN ARNDT.
"STEPHEN BALLIET.
"JOS. HORSFIELD.
"DAVID DESHLER.

"EASTON, *December 20, 1787.*"

On the same day there was a meeting at Easton of sundry inhabitants of the county, which took into consideration the report made to the people of the county by their deputies to the State convention. Whereupon it was

"*Resolved unanimously*, First. That we highly approve of the conduct of our deputies in assenting to and ratifying the Constitution of the United States, as proposed by the late Federal Convention.

"Second. That the chairman be requested to return our hearty thanks to the said deputies for the patriotism, public spirit, and faithful discharge of their duty as representatives of this county.

"Third. That their report, together with these resolutions, be transmitted by the chairman to Philadelphia for publication.

"Signed by order of the meeting,

"ALEXANDER PATTERSON, *Chairman.*

"Attest:

"JAMES PETTIGREW, *Secretary.*"

A similar meeting held at Carlisle a week later was the cause of a serious riot. The celebrants secured a cannon and made a great pile of barrels for a bonfire on the public square; but no sooner were they assembled than a mob of Anti-Federalists attacked them, drove them from the ground, spiked the cannon, burned a copy of the Constitution, and went off shouting, "Damnation to the 46; long live the virtuous 23." Thus stirred up, the excitement spread over all the Anti-Federal counties. The country beyond the mountains was wholly in the hands of the Anti-Federalists. Elsewhere the action of the convention was heartily approved. At Lancaster the delegates were received with bell ringing and discharge of cannon.

Having given a history of the chief events that led to the ratification of the Constitution, it may be interesting to give a brief description of the delegates from Northampton County. They were John Arndt, Stephen Balliet, Joseph Horsfield, and David Deshler. At this time Northampton embraced all the land now contained in the counties of Northampton, Lehigh, Carbon, Monroe, Pike, Wayne, and Susquehanna and parts of Wyoming, Luzerne, Schuylkill, Bradford, and Columbia. Most of this territory was then unsettled, outside of what is now Northampton and Lehigh Counties, and from this section the four delegates were chosen.

John Arndt was born in Bucks County in 1748. His father removed to Northampton County in 1760, where he erected what was long known as Arndt's mill, later Walter's mill, on the Bushkill, where he spent most of his life. At the outset of the War of the Revolution he became one of the leading spirits in that struggle. He was captain of a company in Colonel Baxter's battalion of Northampton County, of the "Flying Camp," and in the Battle of Long Island was wounded and taken prisoner. He was soon after exchanged and on March 25, 1777, was commissioned as register of wills and was an elector at the first Presidential election. In 1796 he was nominated for Congress, but was defeated by 90 votes. He died at Easton in May, 1814. It is said that as a mineralogist and botanist he held no mean rank.

Stephen Balliet was born in Whitehall Township, now Lehigh County. His father, Paul Balliet, was of Huguenot ancestry and a native of

Alsace, who came to Pennsylvania in 1738. His mother was a native of Lorraine. He was brought up to mercantile life under his father. During the War of the Revolution he commanded one of the battalions of Northampton Associators in 1777 and 1778, and was in active service at the Battles of Brandywine and Germantown. He served as a member of the General Assembly, and in 1797 he filled the office of revenue collector. Colonel Balliet died in 1821.

David Deshler was born at Egypta, in the upper part of North Whitehall Township, now Lehigh County, in 1734, where his father, Adam Deshler, was among the first settlers. In 1764 he was a shopkeeper in Allentown, but two years later sold out and removed to his grist mills, which he continued to operate until almost the close of his life. During the Revolutionary War he became colonel of a military company and was one of the most influential personages in Northampton County; acted as commissioner of supplies, and with his colleague and neighbor, Capt. John Arndt, of Easton, advanced money out of his private means at a time when the public treasury was empty. He died at Catasauqua in December, 1796.

Joseph Horsfield was born at Bethlehem in 1750. His father, Timothy Horsfield, was an early Moravian settler at Bethlehem, and quite prominent in the history of that settlement. Timothy Horsfield married a daughter of William Parsons, the founder of Easton. But little is known of the son's early history, save that he was a man of good education and of influence in the community. He was appointed by President Washington, in 1792, the first postmaster at Bethlehem, which office he held until 1802. He died at Bethlehem in 1834.

The Anti-Federalists, however, did not permit the report of the delegates from Northampton and the meeting at Easton, or the riot at Carlisle to pass unnoticed. In the Independent Gazetter or Chronicle of Freedom of January 8 following there appeared, over the signature of "Centinel," a strong attack on the methods of the supporters of the Constitution, of which the following is an excerpt:

"The parasites and tools of power in Northampton County ought to take warning from the fate of the Carlisle Junto, lest like them, they experience the resentment of an injured people. I would advise them not to repeat the imposition of a set of fallacious resolutions as the sense of that county, when in fact, it was the act of a despicable few, with Alexander Paterson at their head, whose achievements at Wyoming, as the meaner instrument of unfeeling avarice, have rendered infamously notorious; but yet, like the election of a Mr. Sedgwick for the little town of Stockbridge, which has been adduced as evidence of the unanimity of the western counties of Massachusetts State in favor of the new Constitution, when the fact is far otherwise, this act of a few individuals will be sounded forth over the continent as a testimony of the zealous attachment of the county of Northampton to the new Constitution. By such wretched and momentary deceptions do these harpies of power endeavor to give the complexion of strength to their cause. To prevent the detection of such impositions, to prevent the reflection of the rays of light from State to State, which, producing general illumination, would dissipate the mist of deception, and thereby prove fatal to the new Constitution, all intercourse between the patriots of America is as far as possible cut off; whilst on the other hand, the conspirators have the most exact information, a common concert is everywhere evident; they move in unison. There is so much mystery in the conduct of these men, such systematic deception and fraud characterizes all their measures, such extraordinary solicitude shown by them to precipitate and surprise the people into a blind and implicit adoption of this Government, that it ought to excite the most alarming apprehensions in the minds of all those who think their privileges, property, and welfare worth securing."

This excerpt shows the bitterness which prevailed between the supporters and opponents of the Constitution. As stated, the real authorship of the letters signed "Centinel" is shrouded in mystery. One of the leading figures in the political history of Pennsylvania at that time was George Bryan, who was charged with the authorship of these letters, but his son, Samuel Bryan, writing to Governor George Clinton, of New York, says: "I flatter myself that in the character of Centinel I have been honored with your approbation." The late Paul Leicester Ford is authority for this statement.

The result of this conflict throughout all of the 13 States was that before the close of the year 1788 the Constitution was ratified by 11 States; so that it went into operation between the States ratifying in 1789. The other two, North Carolina and Rhode Island, adopted and ratified it in less than two years afterwards, the last of which was Rhode Island.

From the commencement of the struggle by the Colonies for independence down to the present time Northhampton County has been intensely patriotic. At the outset its territory extended from the Bucks County line northward to the New York State line and westward to Berks and Northumberland Counties. It immediately joined with the other forces favoring freedom. Its committee of safety was formed December 21, 1774, and was in constant communication with a similar committee in Philadelphia—then the first city in the Union in refinement and wealth, and the scene of great political events of the utmost importance to the whole country. In May, 1775, the county had a volunteer force of 2,000 men, preparing for duty at the front when called for under the direction of the committee. In June, 1775, General Washington was appointed commander in chief of the American Army, and in July, 1775, the county adopted the project of equipping a company of riflemen. At a meeting of the committee, on July 9, 1776, it was resolved to form a Flying Camp, constituting part of Colonel Baxter's division, which took part in the Battle of Long Island. This activity continued to the end of the struggle. It joined with the other counties in framing the Constitution of 1776, which emancipated the German citizens of the county, and assisted in forcing the vote of Pennsylvania in the Continental Congress to favor separation and the Declaration of Independence.

Easton, located at the confluence of the Delaware and Lehigh Rivers, was the county seat of the then vast territory within Northampton County. It was then a frontier town and the most important town in northeastern Pennsylvania. It was convenient of access to both New York and Pennsylvania, and yet safe from attack by British and Indian forces. The colonial records and Pennsylvania archives show that it was the center of revolutionary activity in that section. News of the adoption of the Declaration of Independence was received here on July 8 and was hailed by the citizens by a public demonstration at the courthouse, where the immortal document was read to the public. After the defeat of the American forces at the Battle of the Brandywine, September 11, 1777, Philadelphia was abandoned by them and Easton was chosen by Congress as the place for depositing the public moneys and records and for collecting military stores. Here also the boats were collected to transport Washington's army across the Delaware after the Battle of Trenton, and here lived George Taylor, one of the signers of the Declaration of Independence. Bethlehem, then, as now, located in Northampton County, furnished, with Easton, hospitals for the care of sick and wounded Revolutionary soldiers. Allentown, now the county seat of Lehigh County, then a part of Northampton, received the Liberty Bell when the American forces were compelled to abandon Philadelphia.

Probably the greatest cause of opposition to the adoption of the Federal Constitution was that it did not contain a bill of rights and failed, as contended, to adequately protect local self-government. It must be admitted that these rights, so far as they are consistent with national safety, are indispensable to the long-continued existence of a republican government on a large scale. A republic in a great nation demands these separate institutions which imply in different portions of the nation some rights and powers with which no other portions of the nation can interfere. Let us suppose, for instance, that the States of this Union from the Atlantic to the Pacific were obliterated to-day and that the people of this whole country, 3,000 miles in extent, with 120,000,000 people, were a consolidated democracy, "one and indivisible." No laws would then be made, no justice administered, no order maintained, no institutions upheld, save in the name and by the authority of the Nation. What sort of a republic would that be? If it started with the name and semblance, how long would it preserve the substance of republican institutions? In order to act at all in discharge of the vast duties devolving upon it, the government of such a Republic, extending over a country so enormous, must more and more be made the depositary of the irresistible force of the Nation; and the theory that the will of the Government expresses in all cases the will of the ruling majority must soon confer upon it that omnipotent power beneath which minorities and individuals have no rights. This is no mere speculation. It is the lesson of history. Every reflecting man in this country knows that he has some civil rights which he does not hold at the will and pleasure of a majority of the people of the United States. He knows that he holds these rights by a tenure which can not be lawfully touched by all the residue of the Nation. This is republican liberty, and without this principle in some form of active and secure operation no valuable republican liberty is possible in any great democratc country on the face of the earth. Fortunately much of this opposition was swept away by the adoption of the first 10 amendments. The question of local self-government or State rights remains with us. As the fathers frame the Constitution the checks and balances between the National and State Governments were adequate, but recently there has been a tendency to write into that great document a code of police regulations, which, as said by a judge of the Supreme Court, "has placed a strain on all law." If persisted in, it may undermine the whole structure of our Government.

Gladstone declared that "the American Constitution was the most wonderful work ever struck off at a given time by the brain and purpose of man." It had, however, its forerunners. The men who framed it followed the lead of no theoretical writer of their own or preceding times. They harbored no desire of revolution, no craving after untried experiments. They wrought from the elements which were at hand and shaped them to meet new exigencies which had arisen. The least possible reference was made by them to abstract doctrines; they molded their design by a creative power of their own, but nothing was introduced that did not already exist or was not a natural development of a well-known principle. The materials used by the fathers for building the American Constitution were the gifts of the ages.

ORDER OF BUSINESS—THE CONSENT CALENDAR

Mr. TILSON. Mr. Speaker, I ask unanimous consent that on Monday next it may be in order to call the Consent Calendar under the rules of the House.

The SPEAKER pro tempore. The gentleman from Connecticut asks unanimous consent that on Monday next it may be in order to call the Consent Calendar. Is there objection?

Mr. KINCHELOE. Does the gentleman mean that it will be the first thing on Monday?

Mr. TILSON. It will be in order to do so.

Mr. SCHAFER. If we complete the Consent Calendar, will we be able to go on with the Private Calendar?

Mr. TILSON. I hope so. At any rate that is my intention.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SURVEY OF INDIAN AFFAIRS BY THE INSTITUTE FOR GOVERNMENTAL RESEARCH

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a press summary of the recent report of the Institute for Governmental Research in respect to the Indian problem of the country. A very careful study was made. The report is voluminous, but I desire to print only the press summary of that report.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Speaker, one of our most important national problems, and one which probably excites as widespread interest among those who are informed and those who are not as any of our great problems, is the Indian question and the administration of Indian affairs. We are now at a very important stage in the development of our Indian policy. There is much in the past that is unpleasant, unfortunate, and undesirable. There is a great deal also of real accomplishment and much that has been altruistic and generous as well as constructive and effective in the treatment of the Indians by our Government and our people. The administration of Indian affairs to-day is honest and creditable. The maximum of efficiency has not been attained, although there have been material gains under the present administration of the Bureau of Indian Affairs, with the interested and effective cooperation of the Committee on Appropriations and of Congress itself. This work has gone on in the face of the carping criticisms mouthed so constantly in Washington by lobbyists who profess to be the only friends of the Indians but whose criticism has been always destructive and never constructive and whose real aim would seem to be to tear down those charged with official responsibility in the administration of the Government's Indian policies rather than to build up the welfare of the Indians. During the session that has just closed I have on several occasions spoken by name of such destructive lobbyists in connection with Indian matters. It is highly regrettable that by reason of their selfish prostitution of support so generously given them by many well-meaning and influential people a large part of the public sentiment voiced in connection with this problem has not been so directed as to promote that which is really constructive.

As I stated in my speech in the House January 12, when presenting the Interior Department appropriation bill, the work of the Indian Bureau is proceeding along safe and sane lines with special emphasis upon three things: First, education; second, health; and third, industrial assistance. In the Bureau of Indian Affairs and in Congress special emphasis has been given to those aims and material advances have been made. Much remains to be done, and those who are sincerely interested in the proper development and advancement of the Indian race should give thought to the problem and familiarize themselves with the facts from every available reliable source.

During the past year there has been a very important survey of Indian problems by a private agency upon invitation of the Secretary of the Interior, Hubert Work. This survey has resulted in a very important report recently published by the Institute for Government Research. Without necessarily agreeing at all points with their conclusions or suggestions, I am highly appreciative of the care with which the survey has been made, the disinterestedness and ability which appears to have characterized the work of the survey, and believe the more generally their report is studied by those interested in this problem the more rapid will be the development of the constructive program for advancement that is sought by all sincere wellwishers for the Indians. It has semeed to me desirable, therefore, to present through the RECORD the press release from the Department of the Interior, which summarizes the results of this survey, these statements being as follows:

THE PROBLEM OF INDIAN ADMINISTRATION

1. ANNOUNCEMENT OF REPORT

Social and economic conditions at present prevailing among the American Indians constitute a national emergency that demands immediate attention, increased appropriations by Congress making possible the employment of a more competent personnel, and an increased attention to social and economic problems as contrasted with those that are administrative.

Thus is summarized the report of a comprehensive survey of Indian affairs made by the Institute for Government Research at the request of Secretary Hubert Work, of the Department of the Interior. The report of the institute was submitted to the Secretary by W. F. Willoughby, director of the institute, late in February, and the Secretary immediately authorized the institute to print it in full. It is now released to the public.

The majority of the Indians, the survey shows, are poor and are not yet adjusted to the dominant white civilization. Their vitality is low and their death rate high. Tuberculosis and trachoma are prevalent. Living conditions among the majority of them are conducive to the development and spread of disease. The income of the typical Indian family is so low as to place them little above actual want. The earned income is low. General conditions, in fact, are such as to call for vigorous and immediate expansion of the Indian Service.

The theory of the American people has heretofore been that the Indian Service is an administrative agency, the chief purpose of which was the control and conservation of Indian property and the care of dependent Indians. The report holds that too little attention has been given to their social and economic advancement. It states that the Indian Service has been unable to employ adequate and properly qualified personnel to perform this ultra administrative work. The present staff is insufficient in numbers and, in many cases, without sufficient technical and professional training to accomplish the broader purpose.

Because of these limitations the Indian Service as a whole has not developed a well considered and broadly educational program for the development and advancement of a primitive people. Such a program, the report says, should include not only school training for children but also activities for adults to aid them in adjusting themselves to the dominant social and economic life which confronts them. It should emphasize education in economic production and in living standards high enough for the maintenance of health and decency.

The survey which resulted in these findings is the most comprehensive study of the social and economic conditions of the Indians that has ever been made. It was conducted under the immediate direction of Lewis Meriam, of the regular staff of the Institute for Government Research in cooperation with nine specialists selected for this particular project by the institute. None of these specialists were from the Indian Office or the Department of the Interior. The staff was in the Indian country almost continuously for seven months. One or more members of the staff visited 95 different jurisdictions, either reservations, agencies, hospitals, or schools, and also many communities to which Indians have migrated.

Neither the Indian Service nor the Department of the Interior exercised any control or supervision over the survey. The Institute for Government Research is not a Government agency. The survey was entirely financed from private funds, mainly the gift of Mr. John D. Rockefeller, jr. Secretary Work requested a private organization to make the survey because he wished an entirely impartial report on the conditions of the Indians and the conduct of work in their behalf.

Mr. Meriam, as technical director of the survey, selected the staff. The members were: Indian adviser, Henry Roe Cloud, of the Winnebago Tribe, president of the American Indian Institute; specialist in health, Dr. Herbert R. Edwards, medical field secretary of the National Tuberculosis Association; specialist in education, W. Carson Ryan, jr., professor of education, Swarthmore College; specialist in general economic conditions, Edward Everett Dale, head of the department of history, University of Oklahoma; specialist in agriculture, Dr. W. J. Spillman, of the Bureau of Agricultural Economics, United States Department of Agriculture; specialist in community and family life and the activities of women, Mary Louise Mark, professsor of sociology, Ohio State University; specialist on migrated Indians in cities, Miss Emma Duke, of the staff of the American Public Health Association; specialist in legal aspects, Ray A. Brown, assistant professor of law, University of Wisconsin; specialist in existing material, F. A. McKenzie, professor of sociology, Juniata College.

The full report, entitled "The Problem of Indian Administration," is over 800 pages long and covers general administration, health, education, general economic conditions, family and community life, and the activities of women, Indians migrated to cities, legal aspects, and missionary activities.

2. HEALTH

The vitality of the American Indians is so low and various diseases are so prevalent that their condition becomes a serious national problem, in the opinion of the Institute for Government Research after a

comprehensive two-year survey of conditions in the Indian country, made at the request of Secretary Work, of the Department of the Interior. These findings are set forth in a comprehensive publication entitled "The problem of Indian administration," which has just come from the press.

Tuberculosis, trachoma, the diseases of early infancy, says this report, are the major complaints most prevalent among the Indians, due chiefly to the low standard of living which they maintain. The Indians are caught in the vicious circle of poverty with low incomes, poor and overcrowded houses, lack of sanitary facilities, and, above all, bad diet, resulting in poor health, often producing physical inability to work.

Tuberculosis and high infant mortality are associated with improper and insufficient diet and bad living conditions. The conviction is growing that the same is true of trachoma, that highly communicable disease that results in blindness and is a constant menace both to the Indians and the white population. It was as a result of cooperation between medical officers of the Indian Service and the Rockefeller Foundation, working among Indians of the Southwest, that what is thought to be the trachoma germ was isolated.

The report points out that the great preventive foods in combating these diseases are milk, fresh green vegetables, and fruit, all of which are lacking in the Indian diet. Few Indians keep milk cows. Milk is generally not available even for Indian babies, so that when they are weaned they are immediately placed on the same diet as adults—a diet deficient in preventive foods and consisting too much of ill-cooked starches and meat.

The survey finds that health is not what it should be even in some of the schools operated by the Government. An effort has been made to feed these children on a low per capita allowance plus what can be raised on the school farm and produced in the school dairy. In a few cases it has been possible to keep at the low salaries offered employees capable of getting the most out of these farms and dairies and thus supplementing the basic allowances. They are important factors in improving the diet, but even at the best schools these sources do not fully meet the requirements of the health and development of children.

The Government has failed to develop an adequate program of public health administration and preventive medicine for its Indian wards, the staff concludes, although it commends the progress in that direction made under the present administration of the Interior Department. It particularly commends the action of Secretary Work in securing as chief medical officer of the Indian Service a trained public health officer from the United States Public Health Service, and of the Indian Office in its determination to substitute trained public health nurses for the untrained, inexperienced field matrons employed for years at salaries almost always too low to secure a person fitted for the task. It recommends increased appropriations to carry out this program, the development of public health clinics to detect communicable diseases in their incipiency, and the collection of adequate morbidity and vital statistics already started by the Indian Office.

The number of doctors, dentists, and nurses is insufficient, and because of low salaries some of those at present employed are below proper standard in qualifications. In the case of field nurses the salaries have been insufficient to attract a sufficient number of persons who can meet the reasonable civil-service requirements.

In his report for 1927 the Secretary of the Interior called to the attention of Congress the inadequate appropriations available for Indian administration, stating that the Indian Service has not kept pace with progress elsewhere along health, educational, industrial, and social lines. He said that years of financial neglect demands larger appropriations if the Government is to perform its full duty to the American Indian. As early as 1925, also, after conferences with the Civil Service Commission, he set the standards for the appointment only of physicians who are graduates from class A medical schools.

Neither the hospitals nor the sanatoria maintained by the Indian Service meet the minimum standards for institutions of that class concludes the institute. They are generally defective in personnel, design, equipment, and maintenance. The effort has been made to operate them on a per diem cost materially below that for similar institutions serving other classes of the population.

"Because of the small appropriations," says the report, "the salaries for the personnel in health work are materially below those paid by the Government in its other activities concerned with public health and medical relief, as well as below those paid by private organizations for similar services. Since its salaries are substandard, the Indian Service has not been able to set reasonably high entrance qualifications and to adhere to them. For general nursing positions it has often been necessary to substitute for properly trained nurses, practical nurses, some of whom possess few qualifications for the work."

The medical specialist on the special survey staff of the institute was Dr. Herbert R. Edwards, on appointment medical field secretary of the National Tuberculosis Association, now director, bureau of tuberculosis control of the New Haven Department of Health.

3. EDUCATION

The American Indian is capable of acquiring an education that, under proper conditions, will convert him into a useful and productive citizen. He needs education that is less institutional than that which he is at present getting, one that will tend more strongly to develop his initiative. The boarding school should be played down and the day school which he can attend while at home should be further developed.

A more highly trained and better paid educational personnel is indispensable to a proper administration of Indian education.

These are among the findings of the Institute for Government Research which, at the request of the Department of the Interior, has had a corps of specialists in the field gathering facts and which is now ready to issue its findings in an 800-page report entitled "The problem of Indian administration." The section on "Education" may be summarized as follows:

The first questions that many people ask are these: "Can the Indian be educated? Is it worth while to do anything or are the Indians an inferior race?" The answer of the Institute for Government Research is that unquestionably the Indian is capable of education. Many individual Indians have made marked progress and compare favorably with successful white men. The testimony of teachers who have taught both white and Indian children is overwhelmingly to the effect that Indians do reasonably well in school, and that the few difficulties in their instruction are mainly the result of the economic and social conditions of the Indian families and not of any mental deficiencies on their part. The survey staff has reviewed the results of modern mental tests which have been given Indian children, and this evidence bears out the testimony of the teachers that Indian children have the mental capacity for education. The tests show that the Indian children are only slightly below white children in intelligence and the slight difference found may be due in part to the handicaps under which the race has labored.

The Institute for Government Research emphasizes the fact that the traditional school system of the whites is not immediately applicable to the needs of Indian children. For years to come it will be necessary for the National Government to provide schools for them, and even when the Indians are placed in local public schools it will be necessary for the National Government to render special service to them. The institute commends the recent movement on the part of the Indian Service toward placing Indians in public schools, provided this necessary supplemental service is furnished adequately. Because of the great importance of this supplemental service it recommends caution and conservation in placing Indian children in public schools.

The great need of the Federal Indian school system is a marked improvement in the personnel. Because of the low salaries and the unfavorable working conditions, the Indian Service has, as a rule, been unable to attract the best of the younger teachers. Although it has some good teachers, the general level is below that in the schools of progressive white communities. Low salaries have made it necessary for the Indian Service to adopt low entrance qualifications.

In an effort to maintain educational standards with an inadequate personnel the Indian Service resorted some years ago to a uniform course of study for all Government Indian schools, even going so far as to send out uniform examination questions from Washington. In place of attempting to maintain standards through a uniform course of study the institute recommends that the Indian Service adopt the only device that has been found successful by progressive white communities, namely, that of maintaining high entrance qualifications for teachers and supervisors so that the local staff will be qualified to adapt the educational system to the needs of the particular Indians being taught. It recognizes frankly that this course can not be followed unless the Government is prepared to adopt a salary scale for Indian school-teachers and supervisors comparable with those in progressive white communities.

A movement away from boarding schools has been in progress in the Indian Service for several years. The institute recommends that this movement be expedited. To get young children out of boarding schools in so far as possible, the institute recommends increasing the number of grades in existing day schools, developing new day schools wherever possible, and a judicious placing of Indian children in local public schools with necessary supplemental service. Thus a far larger number of Indian children can remain with their families and the families will be educated along with their children, whereas the boarding schools tend to educate the children away from their families and create a serious problem when, after several years away at school, the child returns to its home entirely out of touch with its family and its mode of life.

For some years to come boarding schools will be necessary to supply educational facilities for the older children who are ready for higher grades and for special training which can not be supplied locally, and to a limited extent for the younger children who can not reach any local school. The institute recommends changes in the boarding schools, which will require an increase in the qualifications of the personnel.

Broadly speaking, the position of the institute on the education of the Indians is that their primary need is development of initiative and responsibility in the individual. The schools should give maximum opportunity for the development of these qualities. The present tendency of the boarding schools is toward mass handling of the pupils, with individuality suppressed by the institutional routine. Almost everything is done according to schedule on signal and the pupils have almost no

experience in directing their own efforts and managing their own affairs. Even in the highest grades they are subject to the same discipline and routine until the day of their graduation, when they find themselves free from all control, with no guided experience in directing their own activities. The institute takes the position that if the schools are to be effective the routinization must be largely eliminated and that attention to the individual must be stressed.

4. PRODUCTIVE LABOR

An increase in productive labor on the part of the Indian is a fundamental necessity if he is to live on a basis that will provide even the minimum standard of health and decency required by civilization.

Such is the conclusion reached by the Institute for Government Research which, through funds provided by John D. Rockefeller, jr., recently completed an exhaustive, two-year study of the Indian problem. The findings and recommendations are given out by Secretary Hubert Work, of the Department of the Interior, at whose request the study was made. The section on Indian industrial activities may be summarized as follows:

The income of the typical Indian family is low and the earned income approaches the vanishing point. The Indian has not become a worker. From the standpoint of the white man the typical Indian is not industrious, nor is he an effective worker when he does work. He generally ekes out an existence through unearned income from leases of his land, the sale of land, per capita payments from tribal funds, or, in exceptional cases, through rations given him by the Government. The number of Indians who are supporting themselves through their own efforts, according to what a white man would regard as the minimum standard of health and decency, is small. What little they secure from their own efforts or from other sources is rarely effectively used.

The economic basis of the primitive culture of the Indians has been largely destroyed by the encroachment of white civilization. The Indians can no longer make a living as they did in the past by hunting, fishing, gathering wild products, and the limited practice of primitive agriculture. The social system that has evolved from their past economic life is not suited to the conditions that now confront them, notably in the matter of the division of labor between men and women.

Several past policies in dealing with the Indians were of a type which, if long continued, would tend to pauperize any race, notably the practice, now abandoned except under special circumstances, of issuing rations to able-bodied Indians. The policy of giving their lands to Indians in individual ownership often has worked out in such a way that the Indians have been able to eke out a scanty existence without labor by selling or leasing the land allotted to them or inherited from Indians to whom it has been allotted. The distribution of tribal funds has also encouraged life without work.

On a few reservations energetic and resourceful superintendents with a real faculty for leadership have demonstrated that the economic education of the Indian is possible. On the whole, however, the problem of converting the Indian into a productive worker has presented so many difficulties that they have not been generally met. By and large he remains a purposeless idler on the reservation who by his own efforts contributes little to the support of himself and to his family. Even under the best conditions it is doubtful whether a well-rounded program of economic advancement planned with due consideration of the natural resources of the individual reservation has anywhere been thoroughly tried out.

The Institute for Government Research stresses the need for an employment service for Indians, particularly vocational guidance for the boys and girls leaving Indian school, some of whom have been recently placed in this way. It says that although the problem of the returned student has been much discussed, the Indian Service has lacked the funds to aid the children when they leave school either to find employment away from the reservation or to return to their homes and work out their own salvation there. It has not subjected its schools to the test of having to show how far they have actually fitted the Indian children for life. Such a test would undoubtedly have resulted in a radical revision of the industrial training offered in the schools. Several of the industries taught may be called vanishing trades and others can not be followed in a white community in competition with white workers without a period of apprenticeship. No adequate arrangements have been made to secure the opportunity of apprenticeship.

Little has been done on the reservations toward finding profitable employment for Indians. In a few jurisdictions labor services are maintained chiefly engaged in recruiting Indians for temporary unskilled labor. This employment service is largely mass work, not individualized, and it does not often seek to find the Indian an opportunity for a permanent position that offers him a chance to work up or one that will arouse his interest.

The study made by the institute of the Indians who have migrated to industrial communities shows that most Indians make satisfactory employees. The reports of their employers are almost invariably favorable. Little race prejudice against them was encountered, and they generally can get employment and secure living conditions commensurate with their earning capacity. They are not skilled or experienced in bargaining and in finding positions. Once they get a position they are generally steady and reliable and possibly too willing to work on at the initial rate of pay.

The majority of Indians who work are engaged in some form of agriculture, and the survey recommends that both at the schools and on the reservations the work of preparation along these lines be strengthened. The Indian Service has long had positions for "farmers" to help the Indians in agriculture, but the majority of these employees would be more accurately termed field clerks or agricultural laborers. They are not trained as agricultural teachers or demonstrators and their qualifications are markedly below those of agricultural demonstrators supplied to white communities. The salaries paid are too low generally to attract men competent to do the work. The salaries of these employees should be raised and competent people obtained, which can not be done at present rates of pay.

The work of investigating the economic conditions of the Indians was done mainly by Prof. E. E. Dale, of the University of Oklahoma; Dr. W. J. Spillman, of the United States Department of Agriculture; Miss Mary Louise Mark, professor of sociology of Ohio State University; and Lewis Meriam, of the regular staff of the institute, the technical director of the survey. The study of migrated Indians was made by Miss Emma Duke, a widely experienced investigator of the economic and social conditions of working people.

5. FAMILY AND COMMUNITY LIFE

The aboriginal Indian family has not adjusted itself to the requirements of life in contact with the white race and is failing to contribute as it should to the well-being of its members. Community activities that existed before the white man came have largely disappeared, but little of a helpful nature has been introduced to take their place. Home and community life among the Indians has become worse instead of better.

These are the facts as set down by the Institute for Government Research in its 800-page report of a study initiated two years ago by Secretary Work, of the Department of the Interior, which is issued this week. The section on family and community life may be summarized as follows:

Conditions have tended toward the weakening of Indian family life and community activities rather than toward strengthening them. Removing Indian children from their homes and placing them in boarding schools tends to disintegrate the family and interferes with developing normal family life. The belief has apparently been that the shortest road to civilization is to take children away from their parents and in so far as possible to stamp out the old Indian life.

The Indian community activities particularly have tended to disappear. The fact has been appreciated that both the old Indian family life and the community activities have many objectionable features in a modern civilized setting. There may have been justification for breaking them up but, unfortunately, nothing has been provided to take their place. Thus, the Indian has been left adrift.

The Indian Service lacks a personnel trained and experienced in educational work with families and communities. The result is the almost total absence of well-developed programs for the several jurisdictions specially adapted to meet local conditions. For many years the service has had positions for "field matrons" employed especially to work with families, but the salaries and the entrance qualifications have been so low that the competent field matron able to plan and apply a reasonably good constructive program is the rare exception. Superintendents are also as a rule weak in this branch of their work, and the central office is not adequately equipped to direct and supervise these highly important activities.

The majority of Indian homes are characterized by dirt and confusion, although on every reservation exceptions are found, and among some Indians the exceptions are many. The Hopis, Zunis, and especially the Rio Grande Pueblos, value neatness and order and make much of their walls and floors. They are, broadly speaking, the best of the Indian housekeepers. Some homes reflect the beneficial results of good home economics training in Government and mission schools and the work of the exceptional field employees. In justice to the Indian housewives it must be said that the conditions under which most of them live make cleanliness and order difficult to achieve. Poor housing conditions are in many cases the result of extreme poverty and are beyond the control of the Indians.

Sanitary facilities are generally lacking. Except among the relatively few well-to-do Indians the homes seldom have a private water supply or any toilet facilities whatever. Even privies are exceptional. Water is ordinarily carried considerable distances from natural springs or streams or occasionally from wells. In many sections the supply is inadequate, although in some jurisdictions the Government has materially improved the situation, an activity that is appreciated by the Indians.

A tremendous obstacle to the economic and social development of the Indians lies in the fact that the division of labor between men and women, under which the women do most of the work, is inapplicable under the economic system of to-day. The duties of the men were hunting, fishing, and fighting; the women generally made and

kept the houses, prepared the food and clothing, and did such agricultural work as was done. To-day, in some jurisdictions, the Government encounters difficulty in getting the men to do productive work in agriculture because they regard it as the women's work. The men rarely do work in maintaining and improving their homes, probably for the same reason.

The institute takes the position that the effective approach to the problem of advancing the social and economic condition of the Indians is through the family and the Indian community, and that the work must be done by a trained, competent personnel, materially better qualified than most of the employees in the Indian Service now engaged in such activities.

The situation with respect to marriage and divorce among the Indians is in general highly unsatisfactory. The restricted Indians are not subject to State law in this matter and no national law is applicable, except that children born to marriages made according to Indian custom are by law declared legitimate for purposes of inheritance. Many of the cases that come before the courts of Indian offenses maintained by the Government at certain agencies involve domestic relations, and ofter superintendents at other agencies are seriously perplexed by what in white communities would be serious breaches of the law. The institute believes that among the more primitive tribes for many years to come it will be impracticable to apply and enforce State laws governing domestic relations. Among the tribes that are far advanced and are living in close proximity to white communities it believes that the Indians should be made subject to the State laws respecting marriage and divorce. It recommends legislation permitting the President or the Secretary of the Interior to classify jurisdictions and where the Indians are sufficiently advanced to make them subject by proclamation to the State laws respecting marriage and divorce.

The breaking off of marital relationship does not cause as many difficulties for children among the Indians as it does among the whites, because other relatives are generally quick to assume the responsibilities and it is not at all unusual to find fathers and mothers supporting their daughters and their daughters' children, while many of the group have those the others do not want. Frequently the energetic progressive Indian is feeding and maintaining his less progressive neighbors.

The specialist on the survey staff studying family and community life and the activities of Indian women was Mary Louise Mark, professor of sociology at Ohio State University. R. A. Brown, assistant professor of law at the University of Wisconsin, was the specialist on the legal aspects of the Indian survey.

6. PERSONNEL

An improved personnel in the field, made possible by more adequate appropriations, in accordance with the recommendations being made by Secretary Work in his last annual report, is the key to the Indian problem, according to the report of the Institute for Government Research recently submitted to Secretary Work of the Department of the Interior. The section on personnel may be summarized as follows:

The chief explanation of the deficiency in the work of the service lies in the fact that not enough money has been provided to permit the service to employ an adequate personnel properly qualified for the task before it. The service has been held too closely to a mere administration of Indian affairs and the central staff consists mainly of persons with administrative experience rather than technical and scientific training for planning and developing a broad educational program made up of persons properly trained to render the special services required. The Indian Service has not been able, because of lack of sufficient funds, to keep abreast of the progress made by other agencies concerned with education, the promotion of health, and the advancement of the social and economic condition of a people.

The Institute for Government Research specially recommends the development of cooperative relationships with other organizations, public and private, which can be of material aid in educational work for Indians. It commends the action of Secretary Work in enlisting the cooperation of the United States Public Health Service and in calling upon the Department of Agriculture for a representative on his fact-finding committee to study irrigation. It believes that this idea of cooperation with other agencies of Government should be further developed.

Cooperation with State and local governments offers outstanding possibilities, because the Indians will ultimately merge with the population of the States wherein they reside, and every forward step taken cooperatively will simplify and expedite the transition. Considerable progress has been made by the Bureau of Indian Affairs in getting Indian children into public schools. Progress has been made in cooperation with the States of California, Minnesota, Oregon, Washington, and Wisconsin during the past two years. Had the Indian Service the funds and the personnel to devote to effective cooperation with the governments of these States it could go a long way toward writing the closing chapters of Federal administration of the affairs of the Indians.

To make such cooperation effective the service will require trained and experienced specialists whose standing in their fields will enable them to plan and develop such cooperative relationship.

The Indian Service can not expect to secure the necessary specialists or properly trained field workers for the salaries it is now able to pay, nor can it expect well-trained, competent employees to remain in the Indian country unless better working conditions are provided for them. The Government, the report says, must appreciate that at best the conditions will be hard, especially for employees with families. The living quarters furnished should be reasonably comfortable. Few field employees outside of the office can hope to restrict their activities to an 8-hour day or secure regularly and uniformly one day's rest in seven. The effort should be made to approximate these standards through an increase in personnel and definite provisions for relief from duty. Special effort should be made to see that employees take vacation leave each year and that they have opportunity to maintain the contacts necessary to keep abreast of developments in their special lines of work.

Those employees who are required to drive about the reservations in all kinds of weather should be provided with closed cars in good condition or they should be permitted to use their own cars and charge the Government for mileage at a reasonably liberal rate, with due consideration of the nature of the service required of the car. The survey found no evidence to substantiate the charge that the employees are furnished with fine cars at Government expense. The cars used are instead the subject of severe criticism.

The Institute for Government Research particularly stresses the importance of character and personality for positions that involve direct contact with the Indians. Persons who are to remain in the Indian Service must respect the Indians and have confidence in them, for, as the report says, "To lift a people up and look down on them at the same time is not possible, nor can one without respect for a people and faith in their future inspire them to self-respect and faith in themselves."

A better grade of employees can be secured only by providing more adequate pay, which will require larger appropriations by Congress. A better staff in the field can be maintained only by providing comforts comparable with those its members would find in similar employment elsewhere. Many of the stations are in isolated regions, which call for certain sacrifices. Every effort should be made to compensate employees for these sacrifices by making the isolated posts attractive. Quite the contrary is usually the fact.

Last year the Secretary of the Interior called the attention of Congress to the "turnover" of employees in the Indian field service for the fiscal year 1927. For physicians it was 56 per cent, for nurses 122 per cent, for teachers 48 per cent. The average turnover for all permanent employees in the Indian field service during that year was 67 per cent. "These figures," the Secretary stated, "can not be ignored. They are a definite expression of the conditions underlying the so-called Indian problem and have their origin in shortage of funds. The constant capitulation between necessities and means brings despair to those engaged in the work, because the necessities of the human element in the Indian Service should dominate."

7. RECOMMENDATIONS

The task of the Indian Service should for the future be primarily educational rather than administrative. It should devote its main energies to the social and economic advancement of the Indians. It should fit them to be absorbed into the prevailing civilization. The organization of the Indian Service should be so changed that its efforts are directed to those ends. These are the recommendations of the Institute for Government Research, which, at the request of Secretary Work, of the Department of the Interior, has just completed the most exhaustive study of the Indian problem ever made. The recommendations of the institute may be further summarized as follows:

The service should lay down a comprehensive, well-rounded educational program, adequately supported, which will place it at the forefront of organizations devoted to the advancement of a people. This program must provide for the promotion of health, the advancement of productive efficiency, the acquisition of reasonable ability in the utilization of income and property, and the maintenance of reasonably high standards of family and community life. It must extend to adults as well as to children, and must place special emphasis on the family and the community.

Since the majority of the Indians are ultimately to merge into the general population, the program should cover the transitional period and should endeavor to instruct the Indians in the utilization of the services provided by public and quasi-public agencies for the people at large, in exercising the privileges of citizenship and in making their contribution in service and taxes for the maintenance of the Government. By improving the health of the Indian, increasing his productive efficiency, raising his standard of living, and teaching him the necessity for paying taxes, it will remove the main objections now advanced against permitting Indians to receive the full benefit of services rendered by progressive State and local governments for their populations. By actively seeking cooperation with State and local governments and by making a fair contribution in payment for services rendered by them to untaxed Indians, the National Government can expedite the transition and hasten the day when there will no longer

be a distinctive Indian problem and when the necessary governmental services are rendered alike to whites and Indians by the same organization without discrimination.

To plan and develop such a broad educational program obviously requires the services of a considerable number of persons expert in the special fields of activity which are involved in it. The Indian Service as it is at present organized does not possess such a staff. The present staff consists mainly, but not entirely, of persons with administrative experience rather than technical and scientific training for planning and developing a program in specialized fields. The institute, therefore, recommends that the Secretary of the Interior ask Congress for an appropriation of at least $250,000 a year to establish in connection with the central office, but with many duties in the field, a scientific division of planning and development.

The functions of the division should be—

First. To advise the Commissioner of Indian Affairs in matters requiring technical or scientific knowledge of particular problems.

Second. At the request of the commissioner and subject to his approval, to formulate programs and develop policies to be carried out by administrative officers or to assist in planning cooperative programs with State and local authorities or with missionary organizations or other private agencies.

Third. To visit schools and agencies and to report to the commissioner upon the effectiveness of the administration in those branches of the work that are professional, technical, or scientific in character.

Fourth. To visit schools and agencies to advise and counsel with superintendents and other employees regarding the development and improvement of these specialized activities.

Fifth. Upon direction of the commissioner to investigate and hold hearings upon matters of special complaint that involves technical or scientific subjects.

The division would operate on the project or assignment basis. For the development of fundamental programs for important jurisdictions committees would be organized, primarily from this division, but often including administrative officers, and these committees would together formulate the recommendations after thorough field surveys.

The establishment of the division of planning and development is the first need of the Indian Service. The second is the enormous strengthening of the personnel in immediate contact with the Indians. The Indian Service, because of low salaries and low appropriations, has been attempting to conduct its activities with a personnel inadequate in number and as a rule not possessed of the requisite for the efficient performance of their duties. Little progress can be expected until this situation has been remedied. Salaries in the Indian Service, especially the field service, must at least be fairly comparable with those paid by other branches of the Government service. Not only should entrance salaries be sufficiently high to attract a reasonable number of properly qualified applicants, but a fairly liberal scale of salary advancements should be adopted to reward efficiency and to hold competent employees. A high turnover among the field employees of the Indian Service will jeopardize the success of any program however well designed.

An appropriation of approximately a million dollars is urged by the institute to improve the quantity, quality, and variety of diet available for Indian children in boarding schools.

The institute appreciates that its detailed recommendations designed to make the Indian Service an efficient educational organization will involve a material increase in the Federal appropriation for the Indians. The present appropriations total approximately $15,000,000. For several years to come the additional amount required will be almost as much as the present appropriation. The position taken is that it is a sound policy of national economy to make generous expenditures in the next few decades with the object of winding up the national administration of Indian affairs. The people of the United States have the opportunity, says the institute, if they will, to write the closing chapters of the history of the relationship of the National Government and the Indians. The early chapters contain little of which the country may be proud. It would be something of a national atonement to the Indians if the closing chapters should disclose the National Government supplying the Indians with an Indian Service which would be a model for all governments concerned with the development and advancement of a retarded race.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12030) entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to bills of the following titles:

S. 374. An act for the relief of Lulu Chaplin;

S. 1122. An act for the relief of S. Davidson & Sons;

S. 1287. An act for the relief of the Near East Relief (Inc.);

S. 1434. An act for the relief of Mattie Holcomb; and

S. 3868. An act authorizing an advancement of certain funds standing to the credit of the Creek Nation in the Treasury of the United States to be paid to one of the attorneys for the Creek Nation, and for other purposes.

BILLS AND JOINT RESOLUTIONS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 4963. An act for the relief of the Randolph-Macon Academy, Front Royal, Va.:

H. R. 6518. An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in field services";

H. R. 9194. An act authorizing the Secretary of the Interior to acquire land and erect a monument on the site of the battle between the Sioux and Pawnee Indian Tribes in Hitchcock County, Nebr., fought in the year 1873;

H. R. 10714. An act for the relief of T. Abraham Hetrick;

H. R. 12110. An act to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended;

H. R. 12877. An act authorizing the Los Olmos International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at or near Weslaco, Tex.;

H. R. 13383. An act to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries;

H. R. 13446. An act to amend the national defense act;

H. R. 13563. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. J. Res. 140. Joint resolution to amend sections 1 and 2 of the act of March 3, 1891;

H. J. Res. 268. Joint resolution requesting the President to negotiate with the nations with which there is no such agreement treaties for the protection of American citizens of foreign birth, or parentage, from liability to military service in such nations; and

H. J. Res. 318. Joint resolution amending the joint resolution entitled "Joint resolution directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants, and for other purposes," approved June 5, 1924 (43 Stat. 461), as amended by the joint resolution approved March 3, 1927 (44 Stat. 1405).

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 162. An act for the relief of William M. Sherman;

S. 342. An act for the relief of George B. Booker Co.;

S. 362. An act to provide for the advancement on the retired list of the Navy of Lloyd Lafot;

S. 379. An act for the relief of William R. Boyce & Son;

S. 445. An act for the relief of the Florida East Coast Car Ferry Co.;

S. 456. An act to carry out the findings of the Court of Claims in the case of Edward I. Gallagher, of New York, administrator of the estate of Charles Gallagher, deceased;

S. 1217. An act for the relief of Albert Wood;

S. 1646. An act for the relief of James M. E. Brown;

S. 1955. An act for the relief of Lieut. Charles Thomas Wooten, United States Navy;

S. 2227. An act for the relief of F. L. Campbell;

S. 2306. An act for the relief of William E. Thackrey;

S. 2519. An act for the relief of Robert W. Miller;

S. 2586. An act for the relief of the owner of the Coast Transit Division barge *No. 4*;

S. 2733. An act for the relief of Joseph Cunningham;

S. 3308. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of John L. Alcock;

S. 3338. An act authorizing the sale of certain lands on Petit Jean Mountain near Morrilton, Ark., for use by the Young Men's Christian Association of Arkansas;

S. 3427. An act authorizing the Secretary of the Navy to make a readjustment of pay to Gunner W. H. Anthony, jr., United States Navy (retired);

S. 4376. An act for the relief of Harry M. King;

S. J. Res. 46. Joint resolution providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the

vicinity of Muscle Shoals for the manufacture and distribution of fertilizer, and for other purposes; and

S. J. Res. 120. Joint resolution authorizing the Secretary of War to lease to the New Orleans Association of Commerce New Orleans Quartermaster Intermediate Depot Unit No. 2.

AGRICULTURE AND THE TARIFF

Mr. GARBER. Mr. Speaker, I ask unanimous consent to address the House for a short time.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GARBER. Mr. Speaker, also to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GARBER. Mr. Speaker, the story goes that once upon a time a traveler journeyed from Jerusalem down to Jericho. While on his way, he was assaulted, robbed, wounded, and left for dead. A good Samaritan came along, picked him up, took him to a wayside inn, and paid the landlord for his lodging.

Financially speaking, in the fall of 1920, the farmer was found in the condition of the traveler on that ancient journey. Likewise he was the victim, left by the wayside, wounded and helpless, and so nearly dead that when the good Samaritan came along in 1921 he did not know whether to call an undertaker or an ambulance! But "where there is life there is hope," and so the pulmotor and first-aid remedies were applied. Uncle Sam, the good Samaritan, himself a little wobbly from similar treatment, resorted to every approved remedy until finally the patient revived and has been convalescing ever since—not fully restored, but coming strong!

There is just one danger of a backset before complete recovery. The quack doctors are camping in his barnyard. They say: "You are not improving. You have 'chronic surplus.' You ought to have been well long ago. Try our remedy. We guarantee a cure."

But they are the same fellows who held him up in the first instance and left him by the wayside. They gave him expansion to win the war with restriction on price, McAdoo freight rates to market, free trade in foreign farm products, and deflation—a concoction of quack remedies that would kill anybody except the farmer!

EFFECT OF UNDERWOOD ACT

Free trade in foreign farm products was embodied in the Underwood Act of 1913, and immediately the devastating tides of foreign produce poured into our markets. The following comparative table, showing rates on principal agricultural commodities under the Underwood Act and under the Fordney-McCumber Act, emphasizes the extent to which foreign competition with American farmers in our home market was fostered and encouraged under a Democratic administration:

Comparison of tariff rates on agricultural products under the Underwood and the Fordney-McCumber laws

Commodity	Underwood Act	Fordney-McCumber Act
Cattle	Free	1½ cents to 2 cents per pound.
Sheep and goats	do	$2 per head.
Fresh lamb	do	4 cents per pound.
Fresh mutton	do	2½ cents per pound.
Fresh beef and veal	do	3 cents per pound.
Fresh pork	do	¾ cent per pound.
Hogs	do	½ cent per pound.
Bacon, hams, etc.	do	2 cents per pound.
Lard	do	1 cent per pound.
Butter	2½ cents per pound	8 cents per pound (increased to 12 cents per pound under flexible provisions of the act).
Oleomargarine and other butter substitutes.	do	8 cents per pound.
Cheese and substitutes	20 per cent	5 cents per pound but not less than 25 per cent. (Under flexible provisions of the act, duty on Emmenthaler type of Swiss cheese increased to 7½ cents per pound, but not less than 37½ per cent.)
Cream	Free	20 cents per gallon.
Milk	do	2½ cents per gallon.
Poultry, live	1 cent per pound	3 cents per pound.
Poultry, dead, dressed or undressed.	2 cents per pound	6 cents per pound.
Eggs	Free	8 cents per dozen.
Corn	do	15 cents per bushel.
Oats	6 cents per bushel	15 cents per bushel.
Rye	Free	Do.
Wheat	Free (except to countries imposing duty on similar importations from United States).	30 cents per bushel (increased to 42 cents per bushel under flexible provisions of the act).
Rice:		
Brown (hulls removed)	5/8 cent per pound	1¼ cents per pound.
Broken, and meal, flour, polish, and bran.	¼ cent per pound	½ cent per pound.
Milled (bran removed)	1 cent per pound	2 cents per pound.
Paddy or rough	3/8 cent per pound	1 cent per pound.
Peanuts:		
Not shelled	do	3 cents per pound.
Shelled	¾ cent per pound	4 cents per pound.
Walnuts:		
Not shelled	2 cents per pound	4 cents per pound.
Shelled	4 cents per pound	12 cents per pound.
Cottonseed	Free	¼ cent per pound.
Flaxseed	20 cents per bushel	40 cents per bushel.
Potatoes	Free (except to countries imposing duty on similar importations from United States).	½ cent per pound.
Hay	$2 per ton	$4 per ton.
96 per cent sugar, Cuban	1.0048 cents per pound	1.7648 cents per pound.
96 per cent sugar, other	1.256 cents per pound	2.206 cents per pound.
Wool (other than carpet wool)	Free	31 cents per pound (clean compent).

The "tariff for revenue only" policy opened our gates wide to foreign products. Fundamentally it was free trade, with an incidental duty now and then for "revenue only," and it plunged us into a period of economic depression almost unequaled in our entire history.

In the first 12 months of the Underwood tariff law there was imported $350,000,000 worth of grain, potatoes, hay, butter, cheese, eggs, poultry, meat, cattle, horses, sheep, wool, and hides, more than the aggregate importations of like products during the entire preceding Republican administration.

WAR TEMPORARILY AVERTED ECONOMIC DISASTER

It was in the midst of such an alarming influx of foreign products that war plunged the world into chaos and in this greater confusion, our own was temporarily eclipsed. The tremendous requirements of the European countries that entered war in August, 1914, diverted consignments from our ports and absorbed most of the surplus food and clothing products of the world.

But the aversion of disaster was only temporary. The close of the war came abruptly. Foreign nations began to cast about for markets for the vast accumulation of agricultural products which filled their storehouses. The gates into the most prosperous country in the world, the only Nation which could afford to buy these accumulations and pay for them, were still open. The deluge began again. Already loaded with the accumulations from our own farms, our markets collapsed under the burden of increased foreign farm products and the whole country was inundated with the wreckage. The purchasing power or exchange value of agricultural commodities as a whole compared with the exchange value of other commodities fell from 108 per cent of pre-war values in the spring of 1920 to 69 per cent in 1921.

In two short years the value of farm products depreciated 107 per cent, and that at the very time our exports of farm products were the largest in our history. With all basic farm products on the free list of the Underwood Act, foreign farm products flooded our markets and farm prices here hit the rock bottom of the much-vaunted world market prices. As a consequence the gross wealth produced by farmers dropped from $23,783,000,000 in 1919 to $12,366,000,000 in 1921. The farmers received just about half as much for the big crops of 1921 as they received for the big crops of 1919. Factories shut down and bread lines came back with 5,000,000 men out of employment representing a population of 15,000,000. At the local markets wheat sold for 65 and 68 cents per bushel; corn, 10 and 12 cents per bushel; hogs, $2 and $2.50 to $3 per head; cows, $8 per head; and all other products in proportion.

The emergency tariff act which became effective in May, 1921, was hurriedly enacted, but the damage had been done. American agriculture lay prostrate. In a report of the United States Tariff Commission on the emergency tariff act, the commission found that it was passed in the midst of the greatest decline of prices that had occurred in many years.

DESCRIPTION OF CONDITIONS UNDER UNDERWOOD ACT

Representative JAMES W. COLLIER, a Democratic leader in the House of Representatives, presented to that body on July 11, 1921, a stirring picture of the times:

Here at home our troubles are economic rather than social or political. Our agricultural products are selling below the cost of their production. The purchasing power of our people is also greatly curtailed. Railroad

rates are an embargo on business. Thousands are out of employment. Wages are being continually lowered. Bank credits are restricted. Our surplus products and manufactured articles are piling high for export, but there is no place for them to go. Our factories are idle and many of them closing down, for there are no purchasers to buy. Our foreign market is decreasing, because the foreigner is unable to pay for what he wants. Our warehouses are full to overflowing with cotton, wool, and other products for lack of both a home and a foreign market.

MEANING OF "TARIFF FOR REVENUE ONLY" OR "COMPETITIVE TARIFF"

The foregoing is a realistic description of the actual conditions resulting from the policy of a "tariff for revenue only" or a "competitive tariff." It brought us world competition at home, and that is what the terms mean. It is why they use the word "only" when they say they stand for a tariff for revenue. It is tariff for revenue without protection and for revenue "only." It means the same thing as a "competitive tariff," which is a rate so low that it does not include any protection or any advantage to the home producer. It admits the foreign producer with his cheap labor to our market upon a dead level with our own producers, so that the foreign producer stands upon an equality in competition with our home producers. The foreign producer pays no taxes here. Why should he be granted such privilege?

REPUBLICAN RECONSTRUCTION UNDER PROTECTIVE TARIFF

In the collapse of agriculture the entire economic structure trembled and chaos and commercial disruption reared its black head over the land. The emergency tariff kept our farmers from being trampled after they were down; it was powerless to raise them at once from their stricken condition.

The Fordney-McCumber law became effective in September, 1922. It embodied the farm schedules and rates in the emergency act of the year before. The recommendations of the farm organizations as to rates were again incorporated in the law. At that time they appeared to be sufficiently high to afford ample protection. In fact, they were so high that the Democrats said they were prohibitive. They denounced the act as a "prohibitive tariff" and maintained that it would kill our foreign trade, deprive us of needed revenues, and force the Government to issue bonds to pay its running expenses.

In his speech of July 9, 1921, opposing the passage of the Fordney-McCumber bill in the House, WILLIAM OLDFIELD, present chairman of the Democratic national congressional committee, said:

> If this bill becomes a law the Atlantic and Pacific Oceans had just as well be oceans of fire instead of great highways of commerce as God intended.

Did these prophecies come true? Just the reverse.

M'CUMBER TARIFF LAW AS A REVENUE PRODUCER

The present tariff rates yield annually about $600,000,000, an enormous sum, which marks the McCumber Tariff Act as the greatest revenue producer in our tariff annals. Instead of voting bonds to pay the running expenses of the Government, we have been paying our outstanding bonds at the rate of a billion dollars per year, cutting down interest and taxes to directly benefit every citizen.

COMPETITION IN HOME MARKET

After its enactment, the flood of foreign goods was partially stayed for a time, but as production increased abroad foreign products gradually increased each year in our home market and depressed our home prices, continuing the problem of the surplus through the years.

In the fiscal year ending June 30, 1926, foreign producers, after paying the duties, flooded our home market with a total of more than $3,500,000,000 worth of raw and manufactured animal and vegetable products, of which about $1,000,000,000 represented imports of tea, coffee, cocoa, rubber, and other farm products that America can not raise or for which we can not provide workable substitutes, leaving a balance of $2,500,000,000 worth of agricultural and animal imports in actual competition with the products of our farms, a drain of $2,500,000,000 on the potential prosperity of our agricultural population.

The total duties collected on all importations in 1926 amounted to $590,045,299, or 39.34 per cent of the value of all dutiable importations, and the revenue derived from imports of agricultural products for the same year was approximately $289,623,534, or about 44.49 per cent of the value of dutiable agricultural imports.

The one redeeming feature about such a trade was the revenue flowing directly into the United States Treasury and being applied to the reduction of our national debt, the benefits going directly to all the citizens of our country. Under the policy of free trade in farm products, such revenues would not have been received and the rapid reduction on our national debt would not have been made. In other words, from the standpoint of the national revenues alone, if the Underwood Act had been in effect during that year, it would have deprived us of approximately $289,623,534, which amount would have been but small compared to the disastrous consequences to our home market in flooding it with foreign goods and depressing still further the price of home products.

THE FLOOD OF FOREIGN FARM PRODUCTS

In 1927 there was imported into the United States $21,018,804 worth of cattle; $8,769,819 worth of fresh beef, veal, mutton, lamb, and pork; $1,372,649 worth of poultry, dead and prepared; $8,324,595 worth of canned and prepared meats; $5,174,376 worth of eggs and egg products; dairy products valued at $36,964,435; $2,414,429 worth of rice, rice flour, and meal; $15,389,918 worth of wheat and wheat flour; fodders and feeds valued at $11,239,429; onions worth $2,661,648; $5,247,293 worth of potatoes; $4,544,277 worth of tomatoes; canned tomatoes and tomato paste valued at $6,794,697; $1,632,472 worth of lemons; peanuts worth $1,830,121; walnuts with a valuation of $7,942,430; oil seeds worth $64,283,214; $270,870,997 worth of sugar and related products; tobacco and manufactures worth $82,984,193; $82,932,956 worth of unmanufactured wool; unmanufactured flax valued at $2,153,960; unmanufactured cotton to the value of $45,668,726; and $66,195,850 worth of cotton manufactures and semimanufactures.

From Canada our importations of cattle and fresh meats skyrocketed in 1927 at a dizzying rate. From that country we imported nearly three times as much fresh beef as we did in 1926, more than twice as much fresh veal, nearly seven times as much mutton, and increased our importation of fresh pork nearly 70 per cent.

Wool from Australia and the United Kingdom; sugar from Cuba and the Philippines; cotton from Egypt, China, and Mexico; tobacco and manufactures from Cuba, the Netherlands, Greece, and Turkey; meat from Canada; cheese from Italy and Switzerland; butter from New Zealand, Denmark, and the United Kingdom; peanut oil and low-grade eggs from China; coconut oil from the Philippines; and flax, fruit, vegetables, rice, nuts, vegetable oils, and many other products from up and down the wide earth enter our markets annually to compete with our home products, diverting a veritable stream of gold into the pockets of foreign producers.

Last year we sold to foreign countries a slice in our dairy market worth $36,964,435 for the sum of $8,782,556 in duties collected. We imported hundreds of millions of pounds of vegetable oils. Add our enormous cheese imports to the portion of these oils that is made into butter and it means the displacement of about 800,000 cows that might be making a home market for alfalfa, corn, and other feeds. In addition, we imported more than 8,000,000,000 pounds of sugar, the wool clip of 26,000,000 sheep, and the egg yield of several million hens, ruthlessly narrowing the home market for these products to our own farmers and cutting down the opportunity for diversification on the farm.

Under the protection of the Fordney-McCumber Act, the sheep-raising industry has developed rapidly, affording as it does a dependable source of revenue to the average small farmer, and the pockets of the wool producers are enriched by approximately $150,000,000 annually. The consumption of mutton and lamb is increasing and tending to displace beef and veal in our dietary systems and with the expansion of this market, increased protection is imperative for our own farmers. Last year we shared this market with foreign nations to the extent of 267,209,564 pounds of unmanufactured wool and 2,645,677 pounds of mutton and lamb, worth a total of $83,368,709. American farmers are entitled to these outlets; the enormous profits gorged by foreign interests in our agricultural markets are theirs by every right of heritage. Our tariff rates must be raised to shut out these foreign surpluses which congest our markets and every avenue and channel of trade.

VALUE OF HOME MARKET

Our farmers must be protected in their own rights, their rights in the home market, worth more to them than the entire markets of the world. In 1926 we exported $4,808,660,000 worth of goods and imported goods to the value of $4,430,900,000, roughly about 16 per cent of the total international trade, which amounted to $58,758,800,000 for the same year. But the annual productivity of the United States approximates $70,000,000,000, an amount greater than the total trade of the markets of the world.

The trading in this home market in 1927 amounted to $68,173,200,000, while our trading in foreign countries amounted to $4,758,314,014. Which market is the more important? Which should have prior and preferential consideration? Do we want to give up the home market, amounting to $68,173,200,000 annually, and take a chance on the foreign market, worth to us not to exceed $5,000,000,000?

During 1927 we sold to foreign countries $4,758,314,014 worth of domestic merchandise, representing about 6 per cent of our

total production. Where did we sell the rest? In what market did we sell 94 per cent? Who bought it? Who had the money to pay for it? Whom did they pay? We sold the 94 per cent at home. Our own people purchased it, used it, enjoyed it. They paid for it. It was trading among ourselves, with each other, working for each other, patronizing each other, giving each other the job, helping each other along, giving each other the opportunity to live and enjoy this great country with its glorious institutions.

THE SOUTH NEEDS PROTECTION

The doctrine of protection has become so essential to the development of all sections of the country that it is being recognized even in the southern districts, where they are feeling the pinch of competition in cotton, tobacco, rice, peanuts, peanut oil, citrus fruits, and other products. The South has made amazing industrial progress during recent years in the rapid expansion of the textile industry in the Carolinas, the remarkable growth of the tobacco industry in North Carolina and Virginia, and the development of a diversified system of manufactures throughout the whole southern Appalachian area. There are now more cotton mills located in the South than in New England. Raise the tariff rates so as to exclude the importation of cotton and its manufactures, valued at $111,864,576 in 1927, shut out the imports of tobacco and its manufactures, worth $82,984,193 in the same year, and give to the South this market, worth $200,000,000 annually! This section of the country is directly and vitally concerned as never before in protection, which will keep out the influx of foreign raw and manufactured commodities and stimulate the expansion of its own industries.

OBJECTIONS NOT WELL FOUNDED

No presentation of the relationship of the tariff to agriculture would be complete without answering the chief attacks against it by those who profess to have the best interests of the farmer at heart.

The attempt to misrepresent the tariff as a form of tribute exacted from the farmer for the benefit of industry is a distortion of the truth. In the first place, the present tariff act especially exempts all agricultural implements from the payment of any tariff. There is no tariff on agricultural implements of any kind or character, except on cream separators exceeding in value $50 and on harness exceeding $40 in value. Neither is there any tariff on building material the farmer uses—for instance, on lumber, shingles, paint, barbed wire, nails, cement, brick. In other words, practically everything that the farmer uses on the farm is on the free list, and therefore it can not be said that he pays a higher price for such material because of any tariff.

But it is said in answer to this that while there is not any tariff on farming implements, there is a tariff on the iron and steel that enter into their manufacture and that force up the price on agricultural implements. Let us see.

TARIFF ON IRON AND STEEL DOES NOT AFFECT PRICE OF FARM IMPLEMENTS

It is true that there is a tariff of $1.12½ per long ton—2,240 pounds—on pig iron, but the freight rate from New York to Chicago, near which the manufacture of agricultural implements is localized, is $9 per ton. Pig iron, on the other hand, can be shipped from the mines in Minnesota to the Chicago district for less than $4 a long ton. If the tariff were removed, the freight cost would still act as a barrier to any great importation of pig iron.

The same considerations apply to steel and like heavy commodities. Transportation is the vital element in determining costs to the consumer and to lay the blame at the door of the tariff is a misapprehension of the facts or a misrepresentation of them. A limited amount of foreign steel enters the seacoast markets. But the item of transportation to inland points is so high that even though the duty were materially changed, penetration of imported steel products would still be limited.

The truth of the matter is that no foreign steel or pig iron is used in the manufacture of farm implements, the high freight rates prohibiting.

The following table shows the average quantity of iron and steel used in the manufacture of certain farm implements, their foreign value, and the approximate duty on the iron and steel used if imported:

Implement	Average quantity of iron and steel used	Foreign value	Approximate duty on iron and steel, if imported
2-row corn cultivator	874	$13.95	$3.28
7-foot grain binder	1,474	16.98	4.44
2-furrow riding plow	739	12.65	3.04
6-section peg-tooth harrow	525	12.23	2.83
12-foot grain header	2,436	27.53	6.81

Answering the arguments that the tariff on steel increases the prices of farm implements, the research department of the National Association of Farm Equipment Manufacturers of the United States, in its statement issued December 15, 1927, said:

It has been frequently stated that about half the steel production of the United States is used by American farmers. Though no source or proof has been cited, statements to this effect have been generally accepted as true by speakers and writers on tariff matters who have given them wide circulation.

With such statements as a basis, it is asserted that while the farmer is not directly burdened by a tariff on farm implements, he bears an indirect and heavy burden due to the tariff on the steel used in making them. The assumption is that the farmer, thus pictured as purchasing half the United States steel output, pays the huge sum obtained by multiplying this consumption by the tariff rate on steel. Some of those dealing with this subject have declared that the tariff on steel alone costs the American farmer $100,000,000 a year.

It is not difficult to find trustworthy evidence which conclusively shows how far these assertions and assumptions are from the truth. A leading authority on all questions relating to iron and steel is the Iron Age, a magazine of the highest standing. On January 6, 1927, this magazine printed the following table:

Where steel went in 1926

	Per cent
Farm operating equipment	4
Machinery	4
Food containers	4
Export	5
Oil, gas, water, and mining	9½
Automotive	14½
Building and construction	19½
Railroads	23⅛
All other	16

In 1918 the war emergency committee of the National Association of Farm Equipment Manufacturers (then known as the National Implement and Vehicle Association) prepared a careful report on the amounts of various materials necessary to manufacture each year the machines and implements required to maintain production of the crops of the United States. This report was accepted by the Government and was the basis on which priority allotments of such materials were made to the farm-implement industry during the continuance of the war. This report showed a total of 1,200,000 tons of steel.

The foregoing estimate can be checked and brought up to date by taking as a basis the Government's 1926 census report of total aggregate production of farm machines and implements in the United States and figuring out the kind and weight of materials in them. This computation shows that the manufacture of these machines and implements required 1,400,000 tons of steel, of which about 250,000 tons was required for implements sold to the farmers of other countries.

The total United States output of steel in 1926, as shown by the report of the American Iron and Steel Institute, was about 35,500,000 long tons. If it were true that the farmers of the United States used half the country's steel output, then for 1926 the 6,000,000 or more farmers in our country would have had to consume about 17,750,000 long tons of steel. As a matter of fact, the total amount of steel required for the entire domestic consumption of farm operating equipment, for the production of the automotive industry, and for all the uses of the railroads during that year, was less than 15,000,000 long tons.

Obviously the steel tariff can not have any great effect upon American farm-implement prices; and whether or not it has any effect at all is entirely a matter of theory. It seems significant, however, that with a substantial import duty on steel and no import duty at all on farm implements, European implement manufacturers can not—or, at least, they do not—send their machines into the United States and compete for the American farmer's trade.

There is scarcely any steel or iron in a wagon, yet the increase in the price of wagons is greater than that of any other farm implement. The ordinary wagon which was selling for $50 in 1897 is now selling for $150. The difference in price is caused by the increase in price of labor in the forests, the lumber mills, the manufacturing plants, in the selling agency, and by increase in wages on the railroads and increased freight rates.

TARIFF ROBBERY ON WOOLEN SUIT

But, it is insisted, the farmer is robbed when he buys a suit of clothes; he has to pay the tariff cost on the wool that goes into its manufacture. The average suit of clothes contains 3½ yards of cloth. Three and a half pounds of clean wool are required to make 3½ yards of 14-ounce cloth. Tariff at 31 cents per pound would amount to $1.08½ cents; subtracting 5 cents, the approximate salvage value of card waste, the tariff cost on wool used in this suit would be $1.03½ net. A 10-ounce cloth would require 2½ pounds of wool, and figuring the tariff cost on the same basis of 31 cents, less 3 cents, the approximate value of card waste, the tariff cost on the wool would amount to 74 cents net.

The most cursory examination of the profits of clothiers will show the absurdity of the contention that the tariff on raw products determines the price to the consumer. Last year we

imported from Italy about $3,000,000 worth of women's hat bodies of wool felt. The invoice price on these articles was about 29 cents apiece and the duty averages about 24 cents a pound. The entire cost of these hat bodies, including the tariff collected, is about 36 cents apiece, yet in our fashionable shops these same bodies, turned up on one side perhaps or slashed up the back, with a small ornament in the front, retail at anywhere from $5 to $25 apiece, depending upon how much the patronage of the particular shop will bear.

PROTECTION FOR ALL

The American doctrine of protection is the cardinal principle of the Republican Party—the solid rock upon which it stands. It has the courage of its convictions. No need to cite platforms as to where it stands; its legislation speaks for itself. Rates must be high enough to measure the difference in the cost of production at home and abroad, with every doubt resolved in favor of the American laborer and the American farmer. It says to the workingmen of the East and the farmers of the West:

Protection for all. Whatever work there is to do should be given to our home people. With everyone working for prosperity it will come. We will stop the flood of foreign farm products by raising the rates.

WE IMPORT OUR SURPLUS

While we have been quarreling among ourselves over the disposition of the surplus, foreign farmers have been adding to that surplus—in fact, creating it—and depressing the price of the home market at the rate of two and a half billion dollars' worth of competitive farm products per year! Why should they, with their cheap land and cheap labor, be permitted to compete with our American farmers? The American farmers should have the full benefit of the American market for farm products. The tariff should be raised on farm products so as to exclude the competition of foreign farmers. What advantage is there in being able to buy foreign farm products cheap if to do so will depress the prices of the farm products of our own farmers and decrease their buying capacity? In what way would it benefit us to permit foreign farmers to take our market in exchange for a larger share in theirs?

THE COOLIDGE RECOMMENDATION

With the flood of foreign products stopped, additional corrective legislation will remedy the price depression of seasonal surplus and glutted markets. The intelligent control and orderly merchandising of farm products is the problem. Its solution requires marketing machinery, storage facilities, and credit through the advisory supervision of a Federal agency created for that purpose. Such was the recommendation of President Coolidge to the Sixty-eighth, Sixty-ninth, and Seventieth Congresses, and would have been provided had it not been for the determination to have "the equalization fee or nothing!"

WHERE DOES THE DEMOCRATIC PARTY STAND?

As we approach the national election, the demand becomes more insistent to raise the rates on farm products. Where does the Democratic Party stand on this question?

In his speech in the House on July 9, 1921, in opposition to the Fordney-McCumber bill, WILLIAM OLDFIELD, chairman of the National Democratic Congressional Committee, in defining the position of his party on the tariff question said:

In other words, we believe this Government has no right to tax its citizens or a group of its citizens for the benefit of another group of its citizens. That is the position of the Democratic Party, gentlemen, and I believe it ought to be the position of the country.

We declared in the platform of 1892 that a protective tariff was robbery of the many in the interests of the few. We declared for a tariff for revenue only in 1908, and again in 1912 we declared for a tariff for revenue only.

In a speech in the House on July 21, 1921, in opposition to the Fordney-McCumber bill, the Hon. JOHN GARNER, ranking Democratic member of the House Ways and Means Committee, said:

I admire the candor of the gentleman from Arkansas [Mr. OLDFIELD], who will tell you frankly that he would not levy one copper of duty on any industry in the United States because he is for free trade with all the nations of the earth.

In its national platform of 1920 the Democratic Party said:

We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only.

In its platform of 1924, its latest authoritative declaration, it said:

We declare our party's position to be in favor of a tax on commodities entering the customhouses that will promote effective competition.

The latter declaration is the stronger, more clean-cut, and aggressive. It voices the true position of the party. The "tax on commodities entering the customhouses" must be laid not only so as to permit of world competition in our home market but so as to "promote" competition, to foster, to nourish, to encourage, to develop, to impel such competition, not only competition in the ordinary sense of the word but "effective competition," competition that will compete and lower prices. The Democratic Party believes in a lower price level!

LOW PRICES MEAN LESS WAGES

The Democratic Party says to the laboring men of the East:

Your trouble is high prices, the high cost of living. We will put the rates so low on foreign farm products as to "promote effective competition" in our home market and we will thus reduce the cost of living. You will be able to purchase your food supplies cheaper.

To the farmers in the West it says:

Your trouble is the high prices you have to pay for everything you buy. We will reduce those prices. We will revise the tariff downward, reduce the rates on manufactured articles so as to "promote effective competition"—that is, competition that will actually compete—and reduce prices so you can buy cheaper.

What does this mean? It means a flood of foreign farm products and foreign manufactured products in our home market. The foreign producer will be placed upon a dead level with the home producer, and so an era of low prices and cheap labor will be ushered in, leaving the farmers stranded high and dry with their indebtedness unpaid, contracted under an era of high prices, and the American laborer out of employment. Could anything be more calamitous to the farmer and the laborer and the country? The Democratic national refrain before the election may be "From the Sidewalks of New York," but when this is thoroughly understood by the American people the post-election anthem will be "Nearer, My God, to Thee." [Applause.]

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 2 o'clock and 20 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, May 28, 1928, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

543. A letter from the Secretary of the Navy, transmitting draft of a proposed bill "To clarify section 12 of the act approved June 10, 1922, as amended"; to the Committee on Naval Affairs.

544. A letter from the chairman of Joint Committee on Internal Revenue Taxation, transmitting report of the Joint Committee on Internal Revenue Taxation relating to taxes and penalties paid consequent upon disclosures before the Committee on Public Lands and Surveys of the Senate in the course of the investigation by it pursuant to said Senate Resolution 101, and related matters; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PERKINS: Committee on Coinage, Weights, and Measures. H. R. 13694. A bill to authorize the Secretary of the Treasury to prepare and strike a medal, with appropriate emblems, devices, and inscriptions thereon, commemorative of the enactment of the act of Congress, approved by the President on May 25, 1926, providing for the establishment, in the State of Kentucky, of the Mammoth Cave National Park; without amendment (Rept. No. 1897). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 13976. A bill granting the consent of Congress to the International Business Co. (Inc.), its successors and assigns, to construct a bridge across the Ohio River at or near Ashland, Ky.; with amendment (Rept. No. 1898). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 13996. A bill granting the consent of Congress to the board of supervisors of Leake County, Miss., to construct a bridge across the Pearl River in the State of Mississippi; with amendment (Rept. No. 1899). Referred to the House Calendar.

Mr. LUCE: Committee on the Library. H. R. 14034. A bill to establish a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Wyoming; without amendment (Rept. No. 1900). Referred to the House Calendar.

Mr. LEAVITT: Committee on Indian Affairs. S. 2360. An act to amend section 1 of the act of Congress of March 3, 1921 (41 Stat. L. 1249), entitled "An act to amend section 3 of the act of Congress of June 28, 1906," entitled "An act for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes"; with amendment (Rept. No. 1901). Referred to the House Calendar.

Mr. BROWNING: Committee on World War Veterans' Legislation. H. R. 13199. A bill authorizing the payment to the State of Oklahoma the sum of $4,955.36 in settlement for rent for United States Veterans' Hospital No. 90 at Muskogee, Okla.; without amendment (Rept. No. 1902). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 14039. A bill to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; without amendment (Rept. No. 1903). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINTER: Committee on the Public Lands. S. 1794. An act establishing additional land offices in the States of Montana, Oregon, South Dakota, Idaho, New Mexico, Colorado, and Nevada; without amendment (Rept. No. 1904). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COLTON: Committee on the Public Lands. H. R. 13744. A bill to provide for the acquisition by Parker I-See-O Post, No. 12, All American Indian Legion, Lawton, Okla., of the east half northeast quarter northeast quarter northwest quarter of section 20, township 2 north, range 11 west, Indian meridian, in Comanche County, Okla.; without amendment (Rept. No. 1905). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H. R. 14058) to amend the second paragraph of section 7 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. BLAND: Concurrent resolution (H. Con. Res. 43) establishing a commission to formulate and submit plans for the observance of the one hundred and fiftieth anniversary of the surrender of Cornwallis at Yorktown, Va.; to the Committee on the Library.

By Mr. NEWTON: Resolution (H. Res. 227) to appoint a special committee of five to investigate campaign expenditures of various presidential and other candidates of both political parties, and for other purposes; to the Committee on Rules.

By Mr. BEEDY: Resolution (H. Res. 228) to appoint a committee of five members of the Committee on Banking and Currency to investigate the Federal reserve system relative to the listing of foreign loans, and for other purposes; to the Committee on Rules.

By Mr. COLE of Iowa: Resolution (H. Res. 229) to print 5,000 copies of Report No. 1124, Seventieth Congress, first session, accompanied by Spanish translation; to the Committee on Printing.

By Mr. STEVENSON: Resolution (H. Res. 230) to provide for the printing of certain historical statements relative to the Battle of Cowpens and the Battle of Kings Mountain, S. C.; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEERS: A bill (H. R. 14059) granting an increase of pension to Diana Wright; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 14060) granting an increase of pension to Matilda D. Mason; to the Committee on Invalid Pensions.

By Mr. CARTWRIGHT: A bill (H. R. 14061) for the relief of John T. Steel; to the Committee on Military Affairs.

By Mr. DEMPSEY: A bill (H. R. 14062) to authorize the President to present the distinguished-service cross to Pvt. Wilton E. Kilmer; to the Committee on Military Affairs.

By Mr. EATON: A bill (H. R. 14063) granting a pension to Rachel Caroline Pardoe; to the Committee on Pensions.

By Mr. KORELL: A bill (H. R. 14064) granting a pension to Elizabeth Gibson; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 14065) for the relief of William H. Shelby; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7789. By Mr. ARNOLD: Petition from citizens of Richland, Lawrence, and Wabash Counties, Ill., urging more liberal pensions for all Civil War widows; to the Committee on Invalid Pensions.

7790. By Mr. BLOOM: Petition of the National Council of the Steuben Society of America, urging the adoption of the Shipstead bill (S. 1481); to the Committee on Immigration and Naturalization.

7791. By Mr. BOYLAN: Petition adopted at sixteenth annual meeting of Chamber of Congress on Educational Orders; to the Committee on Military Affairs.

7792. Also, petition of National League of Women Voters, favoring adoption of conference report on Muscle Shoals; to the Committee on Military Affairs.

7793. By Mr. BUSHONG: Petition of citizens of Pennsylvania, urging Congress to bring to vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

7794. By Mr. CANFIELD: Petition of W. S. Cook and 19 other grocers of Columbus, Ind., urging the passage of House bill 13148; to the Committee on Interstate and Foreign Commerce.

7795. By Mr. CARTER: Petition of M. K. Bartl and many others, urging the passage of bill granting an old-age pension; to the Committee on Pensions.

7796. By Mr. CULLEN: Resolutions of Brooklyn Chamber of Commerce, in re foreign trade zone and House bill 8557; to the Committee on Interstate and Foreign Commerce.

7797. By Mr. GARBER: Petition of residents of Ringwood, Okla., in support of Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7798. By Mr. HILL of Washington: Petition of Frank Starling, of Wenatchee, Wash., and 624 other persons, protesting against House bill 78, and all other proposed compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7799. Also, petition of Mrs. J. A. Hodgins, of Greenacres, Wash., and 55 other persons, protesting against House bill 78 and all other proposed compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7800. Also, petition of Louis de Gero, of Spokane, Wash., and 153 other persons, protesting against House bill 78 and all other proposed compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7801. Also, petition of Mrs. A. P. Howey, of Chewelah, Wash., and 51 other persons, protesting against House bill 78 and all other compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7802. Also, petition of A. Zeller, of Riverside, Wash., and 22 other persons, protesting against House bill 78 and all other proposed compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7803. Also, petition of Frank E. Ledbetter, of Spokane, Wash., and 266 other persons, protesting against House bill 78 and any other proposed compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

7804. By Mr. LAMPERT: Petition of J. J. Hildebrand, Omro, Wis., secretary, and members of the Winnebago County (Wis.) Grange, unanimously urging enactment at this session of House Joint Resolution 22, by Mr. GARBER, and Senate Joint Resolution 61, by Mr. CAPPER, providing for National Agriculture Day; to the Committee on Agriculture.

7805. By Mr. MAAS: Resolution by the Veterans of Foreign Wars of the United States, in support of House Resolution 143, authorizing the Speaker to appoint a select committee to conduct an investigation relative to protests against the military and naval defense program of the United States; to the Committee on Rules.

7806. By Mr. QUAYLE: Petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring the passage of Senate bill 724 and House bill 8557 to provide for foreign trade zones; to the Committee on Interstate and Foreign Commerce.

7807. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., opposing the passage of House bill 8127, providing for the transfer of all river and harbor work from the War Department to the Interior Department; to the Committee on Expenditures in the Executive Departments.

7808. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring the passage of House bill, 11886 and Senate bill 3721 to establish the office of captain of the port

of New York and to define his duties; to the Committee on Interstate and Foreign Commerce.

7809. By Mr. PARKS: Petition of citizens and residents of Ashley County, Ark., protesting against any change being made as to Ashley County being put into the eastern Federal court district of Arkansas; to the Committee on the Judiciary.

SENATE

MONDAY, *May 28, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God, who deckest Thyself with the garments of light, shine on us with the radiance of Thy dawning, pierce the earth-born clouds that hide Thee from us, and lead us through the deeps of our own nature into Thy holy presence. Remove from us all prejudice and narrowness of thought, that we may rejoice in whatever Thou revealest. Guide us in all perplexities of life and conduct, that we may hold fast that which is true, regardless of the praise or blame of men. In the deliberations of this day let duty reign supreme. Make reverent our thought. Rekindle altar fires and hallow our work by devotion to the tasks of our high calling. Grant this for the sake of Him who for us endured to the uttermost, Jesus Christ, Thy Son, our Lord. Amen.

The Chief Clerk proceeded to read the Journal of the legislative day of Thursday, May 3, 1928, commencing with the calendar day of Wednesday, May 16, 1928, when, on request of Mr. Curtis and by unanimous consent, the further reading was dispensed with and the Journal was approved.

FINAL ADJOURNMENT

Mr. CURTIS. Mr. President, in order that we may settle the question of final adjournment I desire to submit a unanimous-consent request. I have talked with the Senator from California [Mr. JOHNSON], and he is perfectly agreeable to this procedure. I ask unanimous consent that the Senate take up the privileged question of the concurrent resolution (H. Con. Res. 41) providing for final adjournment and dispose of it.

The VICE PRESIDENT. Is there objection? Without objection, the Chair lays before the Senate the concurrent resolution, which will be read.

The Chief Clerk read the concurrent resolution (H. Con. Res. 41), as follows:

Resolved, etc., That the President of the Senate and the Speaker of the House of Representatives be authorized to close the first session of the Seventieth Congress by adjourning their respective Houses on the 29th day of May, 1928, at 5 o'clock p. m.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	McKellar	Shortridge
Barkley	Fess	McLean	Simmons
Bayard	Fletcher	McMaster	Smith
Bingham	George	McNary	Smoot
Black	Gerry	Metcalf	Steck
Blaine	Gillett	Moses	Steiwer
Blease	Glass	Norris	Stephens
Borah	Greene	Nye	Swanson
Bratton	Hale	Oddie	Thomas
Brookhart	Harris	Overman	Tydings
Broussard	Harrison	Phipps	Tyson
Bruce	Hawes	Pine	Vandenberg
Capper	Hayden	Pittman	Wagner
Copeland	Heflin	Ransdell	Walsh, Mass.
Couzens	Howell	Reed, Mo.	Walsh, Mont.
Curtis	Johnson	Reed, Pa.	Warren
Cutting	Kendrick	Robinson, Ark.	Waterman
Dale	Keyes	Robinson, Ind.	Watson
Deneen	King	Sackett	Wheeler
Dill	La Follette	Sheppard	
Edge	Locher	Shipstead	

Mr. NYE. Mr. President, I desire to announce the unavoidable absence, on account of illness, of the senior Senator from South Dakota [Mr. NORBECK].

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

Mr. JOHNSON. Mr. President, as I understand it, the concurrent resolution has been laid before the Senate?

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution which will be again read.

The Chief Clerk again read House Concurrent Resolution 41.

Mr. JOHNSON. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 5, strike out the words "29th day of May" and insert in lieu thereof "5th day of June," so as to make the concurrent resolution read:

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the first session of the Seventieth Congress by adjourning their respective Houses on the 5th day of June, 1928, at 5 o'clock postmeridian.

Mr. JOHNSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. SWANSON (when his name was called). I am paired with the senior Senator from Washington [Mr. JONES]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. RANSDELL. I have a pair with the junior Senator from Maine [Mr. GOULD]. In his absence, I withhold my vote.

Mr. McMASTER. I desire to announce that my colleague the senior Senator from South Dakota [Mr. NORBECK] is detained at home because of illness. If present, he would vote "yea."

Mr. CURTIS. I desire to announce the following pairs on this question:

The Senator from Delaware [Mr. DU PONT] with the Senator from West Virginia [Mr. NEELY];

The Senator from Florida [Mr. TRAMMELL] with the Senator from South Dakota [Mr. NORBECK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Arkansas [Mr. CARAWAY].

If present, Senators NEELY, NORBECK, MAYFIELD, and FRAZIER would vote "yea" and Senators DU PONT, TRAMMELL, GOFF, and CARAWAY would vote "nay."

The result was announced—yeas 39, nays 41, as follows:

YEAS—39

Barkley	George	Locher	Shortridge
Black	Glass	McMaster	Steiwer
Blaine	Hale	McNary	Stephens
Borah	Harris	Norris	Thomas
Bratton	Hawes	Nye	Vandenberg
Brookhart	Heflin	Oddie	Wagner
Capper	Howell	Pittman	Walsh, Mass.
Copeland	Johnson	Reed, Mo.	Walsh, Mont.
Dale	Kendrick	Sheppard	Wheeler
Dill	La Follette	Shipstead	

NAYS—41

Ashurst	Edwards	McLean	Smith
Bayard	Fess	Metcalf	Smoot
Bingham	Fletcher	Moses	Steck
Blease	Gerry	Overman	Tydings
Broussard	Gillett	Phipps	Tyson
Bruce	Greene	Pine	Warren
Couzens	Harrison	Reed, Pa.	Waterman
Curtis	Hayden	Robinson, Ark.	Watson
Cutting	Keyes	Robinson, Ind.	
Deneen	King	Sackett	
Edge	McKellar	Simmons	

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Caraway	Gooding	Neely	Swanson
du Pont	Gould	Norbeck	Trammell
Frazier	Jones	Ransdell	
Goff	Mayfield	Schall	

So Mr. JOHNSON's amendment was rejected.

Mr. JOHNSON. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 5, it is proposed to strike out the words "29th day of May" and insert in lieu thereof "2d day of June."

Mr. ASHURST and Mr. JOHNSON asked for the yeas and nays, and they were ordered.

The Chief Clerk proceeded to call the roll.

Mr. RANSDELL (when his name was called). Repeating the announcement as to my pair with the junior Senator from Maine [Mr. GOULD], I withhold my vote.

Mr. SWANSON (when his name was called). Repeating the announcement with reference to my pair with the Senator from Washington [Mr. JONES], I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. CURTIS. I wish to announce the following pairs on this question:

The Senator from Delaware [Mr. DU PONT] with the Senator from West Virginia [Mr. NEELY];

The Senator from Florida [Mr. TRAMMELL] with the Senator from South Dakota [Mr. NORBECK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Arkansas [Mr. CARAWAY].